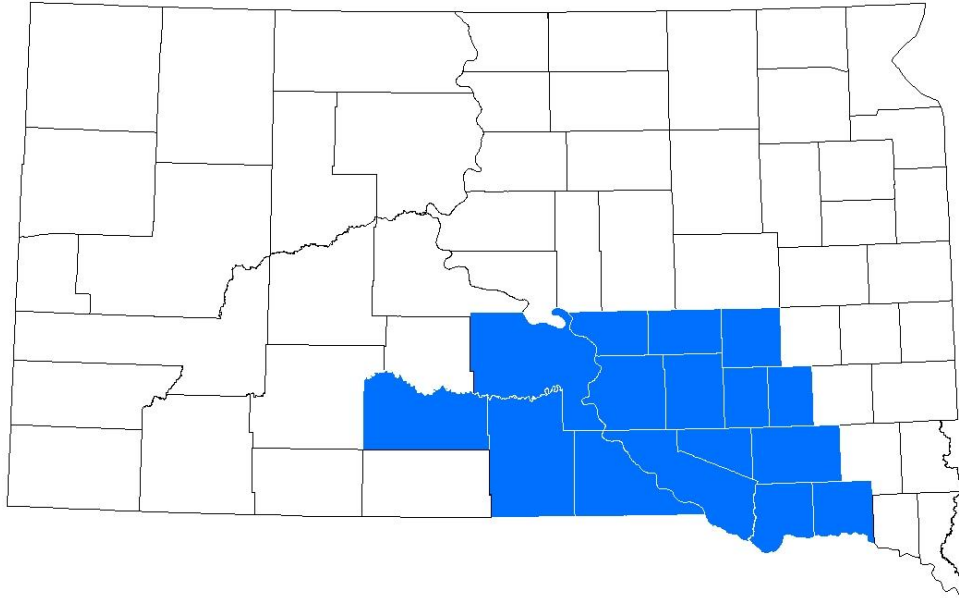


Comprehensive Economic Development Strategy 2019



Planning & Development District III
Yankton, South Dakota

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Introduction

Intent

Planning and Development District III (District III) will develop and implement its “Comprehensive Economic Development Strategy” (CEDS) as a means to:

1. Engage its membership in regional policy conversations;
2. Describe its service area and associated development factors;
3. Explain circumstances and situations that directly affect the region’s development prospects;
4. Identify development priorities, action plans, and performance measures; and
5. Represent an organizational philosophy that will guide its work efforts.

District III will strive to follow the CEDS content guidelines in composing this document. However, the CEDS will reflect the characteristics and aspirations of a specific 16 county region and may not necessarily follow the strategy expectations of EDA. In addition, the CEDS will involve those entities and interests that are genuine stakeholders in the region. The “mix” of those partners or groups may not coincide with national assumptions.

The CEDS will be effective if it succeeds in being:

- ★ Readable (clear and concise language);
- ★ Factual (accurate and current data);
- ★ Impartial (intellectually honest); and
- ★ Motivational (action oriented).

Just compiling regional information and cataloguing project ideas does nothing to improve the region’s “on the ground” development efforts. The CEDS process is not intended to be an all-encompassing “vehicle” for managing regional development. That expectation is administratively unrealistic and politically unattainable. Rather, the CEDS is one of several tools that support decision making and facilitate regional cooperation and cohesion.

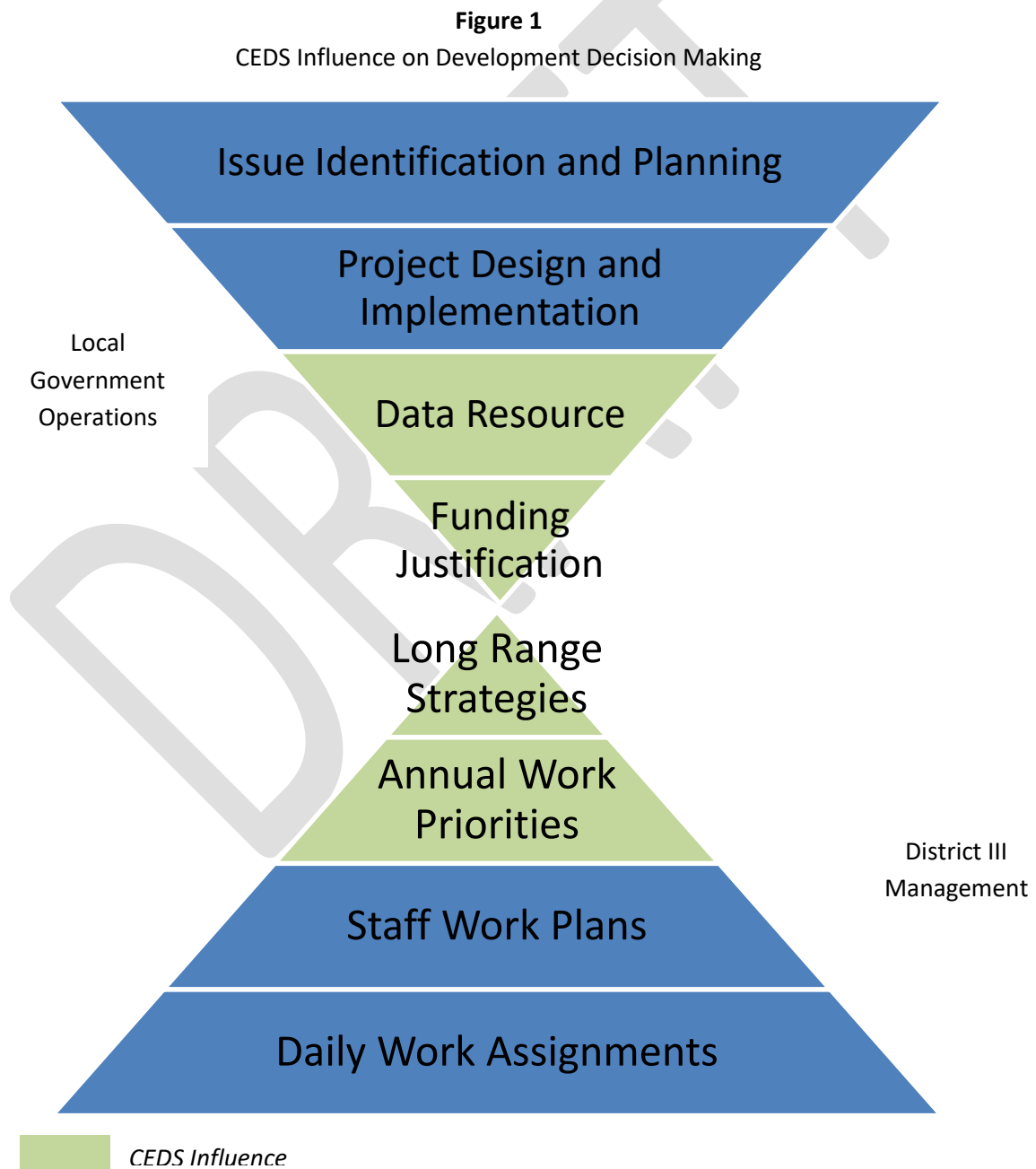
Context

District III is a voluntary association of county, municipal and Tribal governments, with the active inclusion of allied non-profit organizations and private sector interests. This coalition works because it is based upon:

- ❖ Mutual interests;
- ❖ Shared benefits;
- ❖ Valued competencies; and
- ❖ Sustained performance.

In other words, the association produces value and results. District III would quickly dissolve if its members were required or coerced into taking actions that were not clearly perceived to be in each entity's interest. The association believes that no planning processes, policies or strategies can be forced upon local governments and sovereign Indian Tribes.

The aforementioned situation directly affects the application of the CEDS. The only entity that can be compelled to subscribe to its objectives or development policies, is District III itself. The District III membership cannot be expected to forgo self-interest to achieve some higher ideal or cooperative goal. The CEDS can be a catalyst for change, through the awareness it raises and the work plan of District III. Figure 1 illustrates the relationship of the CEDS to decision making processes within the region.



As illustrated, the CEDS is not typically involved in day to day management or operational decisions. It is a resource for processes associated with longer range strategy formation or funding justification.

Strategy Committee

The CEDS committee is technically a separate entity from the District III governing body. In reality, the CEDS committee is an extension of the District's relationships with all significant development interests within the region. In conformance with EDA guidance, the CEDS committee includes representatives from:

- ✓ Local governments;
- ✓ Economic and development organizations;
- ✓ Employment and training sectors;
- ✓ Community organizations;
- ✓ Women, minorities aged and disabled; and
- ✓ Other special interest groups that have an impact on the region's development.

The current CEDS committee roster is provided in the appendices. The make-up of the committee is revised periodically as individual participants change or development circumstances dictate. District III will strive to maintain "regional issue integrity" in its CEDS committee. The term means that the District will identify regional priorities and seek to include people with corresponding backgrounds and/or expertise on the CEDS committee. The region's situation may be similar or significantly different from national trends or other rural areas.

The relationship of the CEDS committee to the District III committee is solely advisory. The CEDS committee is supported and staffed by District III personnel. The CEDS committee functions through the following annual work program.

- ❖ Review the annual District III CEDS Report and/or update documents
- ❖ Provide a specialized perspective input to District III on regional issues and projects;
- ❖ Maintain regular contact with District III on subjects of mutual interest; and
- ❖ Participate in regional or local planning processes that contribute to a better understanding of development issues cooperative opportunities.

The CEDS committee is intended to complement the services offered to the region by District III. The committee has no budget or resources to develop or implement a traditional scope of work. Rather, it is part of District III's annual process of discerning needs and establishing assistance priorities. The committee's orientation toward the private sector provides a balance to the public and non-profit participation in District III.

Key regional sectors that are priorities for CEDS committee participation include:

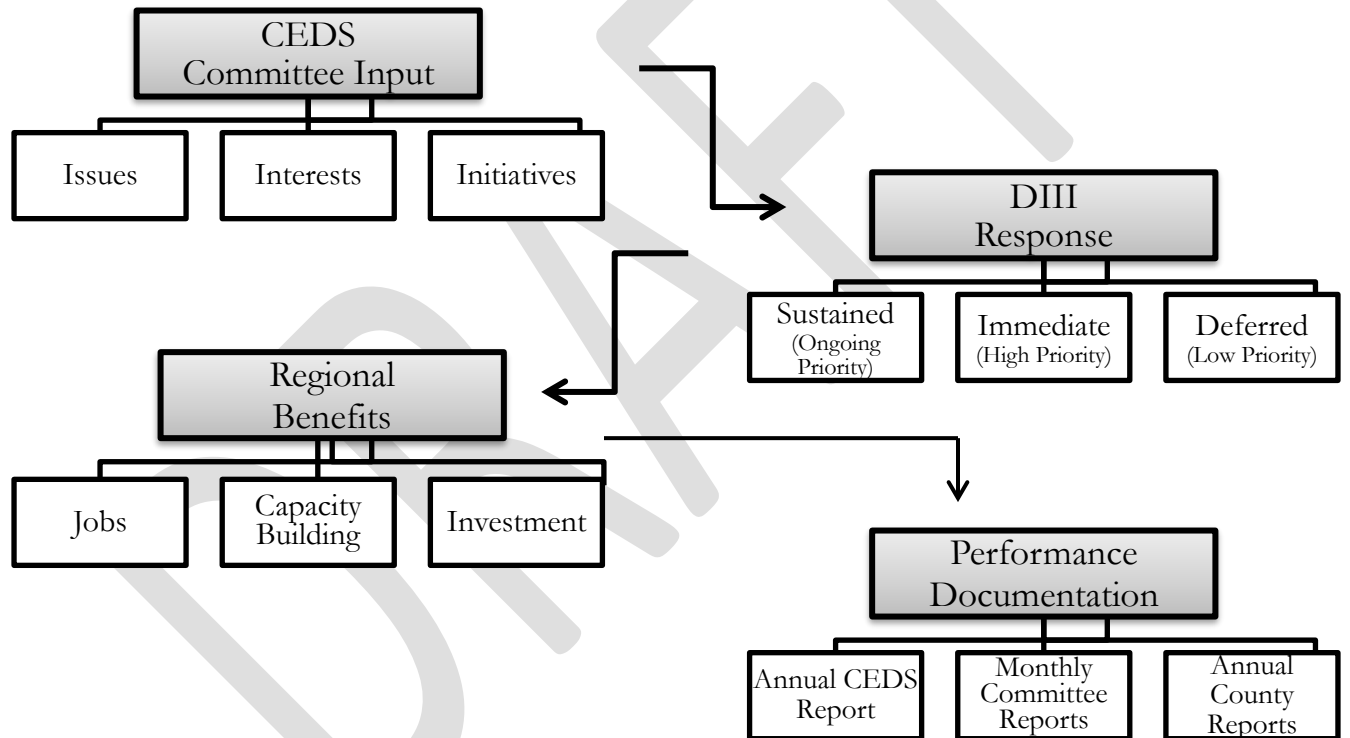
- ❖ Agriculture;
- ❖ Manufacturing;
- ❖ Government;
- ❖ Education;
- ❖ Communications technology;

- ❖ Healthcare;
- ❖ Utilities; and
- ❖ Construction trades.

There is often a challenge in soliciting CEDS committee membership from owners or chief executive officers. Successful people are busy people. Their experience and knowledge are in demand, so District III respects the time limitations of its CEDS participants by keeping meeting commitments to a minimum.

As noted previously, the CEDS committee provides input to District III, which in turn responds with its staff resources and development relationships. Figure 2 illustrates how the CEDS process is implemented.

Figure 2
CEDS Implementation



Public Input

District III routinely provides opportunities for its membership and the public to view and comment on the CEDS and associated annual work activities. The process includes:

- ✓ Posting the CEDS document and annual reports on the District web site;
- ✓ Distributing copies of the documents to governing board and CEDS committee members;
- ✓ Notifying media outlets of District meetings in which the CEDS will be discussed;
- ✓ Submitting copies of the CEDS to state agency partners; and
- ✓ Making the CEDS and associated documents available at the District III office.

The District solicits and compiles input from its members and region in several ways. This feedback is part of issue identification and work priority setting.

- ❖ Periodic in-depth survey instruments;
- ❖ Approximately 300 face to face, out of office meetings;
- ❖ Weekly review of local newspaper stories and editorials;
- ❖ Monitoring statewide and local planning processes; and
- ❖ Participation in statewide development initiatives and conferences.

The aforementioned interactions and collaboration take place on an ongoing basis. The District's response will depend upon the situation. The options will range from "no action" to project development. Again, District III cannot force or influence any public or private sector efforts beyond the commitment of its staff and support services. The commitment may be part of District III's annual work plan or a short-term staff assignment. It is an established practice that the District will seek partners whenever possible to achieve its development and organizational goals.

Content

This document will be divided into five sections, following EDA recommendations. An overview of section content is presented below.

1. Summary of Background

- Demographic and socioeconomic data
- Environmental, geographic, climatic, cultural and natural resource information
- Infrastructure assets
- Cluster analysis
- Economic relationships
- Economic factors
- Other relevant factors

This material will essentially describe the region's site and situation.

2. SWOT Analysis

- Strengths
- Weaknesses
- Opportunities

- Threats

The analysis will evaluate the region's qualities and challenges, as they pertain to its competitive prospects.

3. Strategic Direction/Action Plan

- Vision statement
- Goals and objectives
- Action plan

Strategies and action elements will be divided between regional development "ideals" and organizational initiatives that are within District III's organizational "reach".

4. Evaluation Framework

- Performance measures
- Outcome expectations
- Adjustment factors
- Accountability mechanisms

This section will be based upon existing practices and other methods that will produce meaningful tracking results.

5. Economic Resilience

- Steady state initiatives
- Responsive initiatives
- Resilience implementation
- Information networks
- Pre-disaster recovery planning

Resilience will be reviewed within the parameters of South Dakota practices and District III's capabilities and responsibilities.

Attachments to the document will include the CEDS Committee roster, websites, and other references that could provide additional insights to the region and other relevant material. The CEDS will be supplemented by annual reports and periodic data updates.

Section I

Summary Background

Synopsis

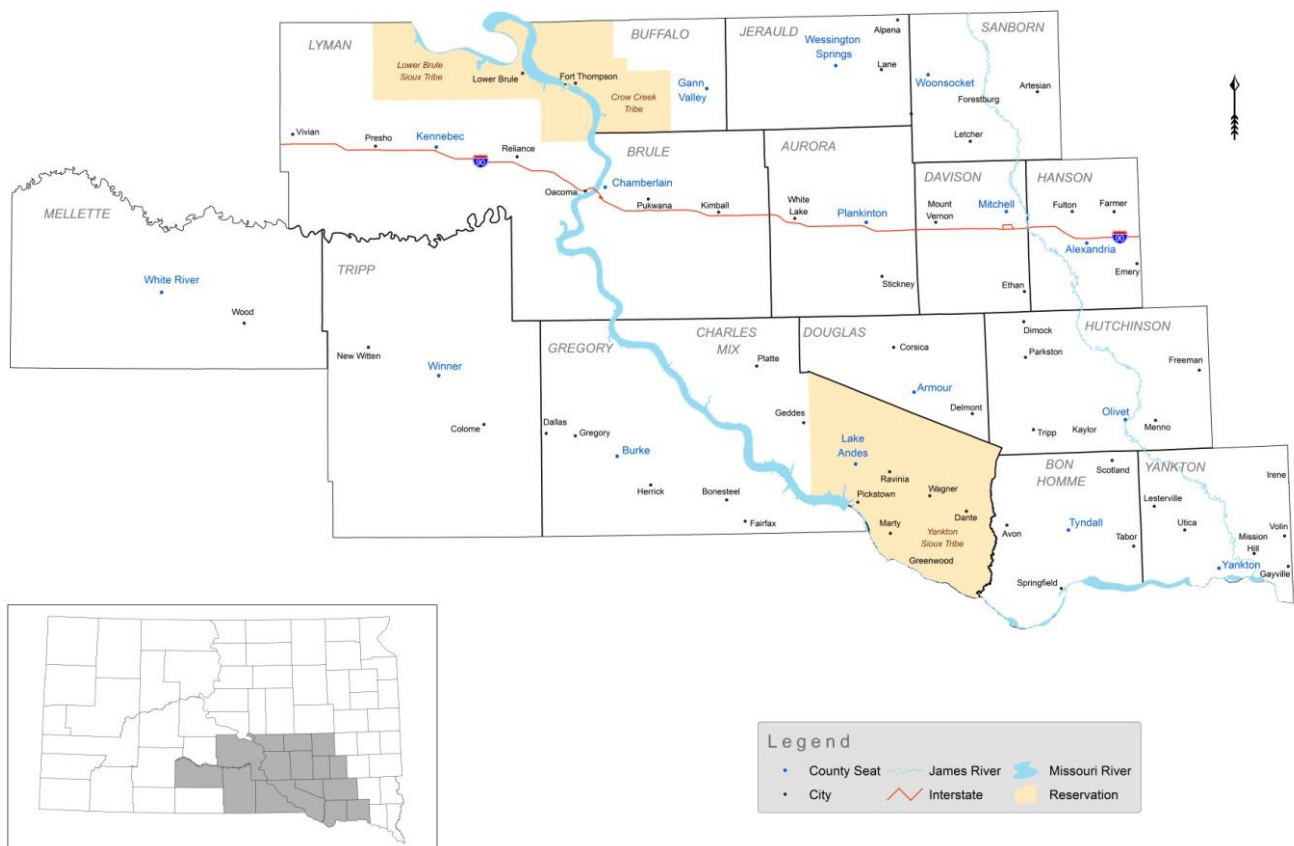
The 16 county District III service area (Figure 3) has a wide range of conditions that influence local and regional development prospects, such as:

- Changing demographic profile (continued aging and minority growth)
- Employment challenges (workforce training and recruitment)
- Agricultural dominance (commodity production and value-added activities)
- Transportation enhancements (railroads and highway investment)
- Key industries (manufacturing, healthcare, etc.)

There are particular development related themes that have continued for decades (examples: over dependence upon production agriculture and out-migration) but technology and the reemergence of short line railroads offer the promise of a more competitive rural economy. A lack of population density and critical mass contribute to the challenges in housing, education, and professional services.



Figure 3
Planning & Development District III
Service Area



Descriptive Overview

The following categories will provide an overview of the region and insights into its development “picture”. Additional sources of information will be referenced, as appropriate.

Demographic and Socioeconomic Data

The region’s population history is outlined in Tables 1 and 2. The loss of population between 1940 and 2010 is dramatic. The majority of counties (13 of 16) lost at least 25 percent of their residents. Five counties experienced a decline of over 50 percent. Regionwide, the population loss was 23.2 percent, while the state’s population grew by 26.68 percent.

Table 1
Population History 1940-2010

	1940	1950	1960	1970	1980	1990	2000	2010	%Change 2000-2010	%Change 1940-2010
Aurora	5,387	5,020	4,749	4,183	3,628	3,135	3,058	2,710	-11.38%	-49.69%
Bon Homme	10,241	9,440	9,229	8,577	8,059	7,089	7,260	7,070	-3.44%	-31.55%
Brule	6,195	6,076	6,319	5,870	5,245	5,485	5,364	5,255	-2.03%	-15.17%
Buffalo	1,853	1,615	1,547	1,739	1,795	1,759	2,032	1,912	-5.91%	3.18%
Charles Mix	13,449	15,558	11,785	9,994	9,680	9,131	9,350	9,129	-2.36%	-32.12%
Davison	15,336	16,522	16,681	17,319	17,820	17,503	18,741	19,504	4.07%	27.18%
Douglas	6,348	5,636	5,113	4,569	4,181	3,746	3,458	3,002	-13.19%	-52.71%
Gregory	9,554	8,556	7,399	6,710	6,015	5,359	4,792	4,271	-10.87%	-55.30%
Hanson	5,400	4,896	4,584	3,781	3,415	2,994	3,139	3,331	6.12%	-38.31%
Hutchinson	12,668	11,423	11,085	10,379	9,350	8,262	8,075	7,343	-9.07%	-42.04%
Jerauld	4,752	4,476	4,048	3,310	2,929	2,425	2,295	2,071	-9.76%	-56.42%
Lyman	5,045	4,572	4,428	4,060	3,864	3,638	3,895	3,755	-3.59%	-25.57%
Mellette	4,107	3,046	2,664	2,420	2,249	2,137	2,083	2,048	-1.68%	-50.13%
Sanborn	5,754	5,142	4,641	3,697	3,213	2,833	2,675	2,355	-11.96%	-59.07%
Tripp	9,937	9,139	8,761	8,171	7,268	6,924	6,430	5,644	-12.22%	-43.20%
Yankton	16,725	16,804	17,551	19,093	18,952	19,252	21,652	22,438	3.63%	34.16%
District III	132,751	127,921	120,584	113,818	107,663	101,672	104,299	101,838	-2.36%	-23.29%
South Dakota	642,691	652,740	680,514	666,257	690,768	696,004	754,844	814,180	8.72%	26.68%

Source: 1970, 1980, 1990, 2000, 2010 Census

Historical Census Browser, University of Virginia Library, <http://fisher.lib.virginia.edu/collections/stats/histcensus/>

Recent population estimates continue to show the region lagging behind state growth figures. Five counties lost population between 2010 and 2017. The regional population change was under one percent (.84%) in comparison to a state increase of 6.81 percent.

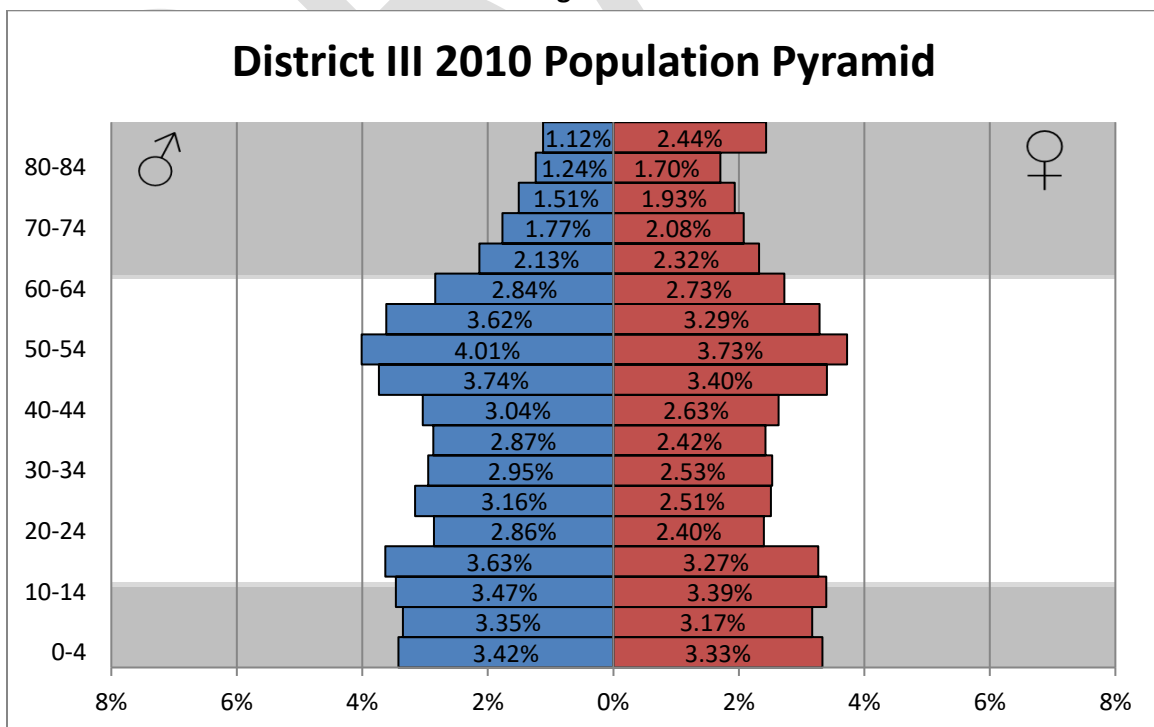
Table 2
Population History 2010-2017

	2010	2011	2012	2013	2014	2015	2016	2017	%Change 2010-2017
Aurora	2,710	2,716	2,760	2,717	2,747	2,742	2,750	2,738	1.03%
Bon Homme	7,070	7,009	7,023	6,983	6,981	6,946	6,968	6,984	-1.22%
Brule	5,255	5,296	5,291	5,357	5,277	5,240	5,213	5,312	1.08%
Buffalo	1,912	1,977	2,016	2,025	2,086	2,097	2,032	1,999	4.55%
Charles Mix	9,129	9,189	9,195	9,186	9,238	9,361	9,382	9,428	3.28%
Davison	19,504	19,574	19,742	19,741	19,769	19,720	19,831	19,704	1.03%
Douglas	3,002	2,974	2,948	2,976	2,931	2,952	2,910	2,931	-2.37%
Gregory	4,271	4,220	4,242	4,231	4,225	4,191	4,171	4,226	-1.05%
Hanson	3,331	3,374	3,378	3,402	3,421	3,386	3,390	3,423	2.76%
Hutchinson	7,343	7,246	7,252	7,193	7,227	7,268	7,338	7,358	0.20%
Jerauld	2,071	2,075	2,054	2,073	2,042	2,020	2,005	2,028	-2.08%
Lyman	3,755	3,811	3,778	3,848	3,859	3,881	3,920	3,904	3.97%
Mellette	2,048	2,072	2,050	2,047	2,067	2,026	2,081	2,088	1.95%
Sanborn	2,355	2,355	2,318	2,326	2,330	2,345	2,378	2,450	4.03%
Tripp	5,644	5,631	5,517	5,523	5,509	5,420	5,490	5,460	-3.26%
Yankton	22,438	22,499	22,580	22,649	22,683	22,682	22,626	22,662	1.00%
District III	101,838	102,018	102,144	102,277	102,362	102,277	102,485	102,695	0.84%
South Dakota	814,180	823,338	832,576	842,513	849,455	854,036	861,542	869,666	6.81%

Source: 2010 Census; 2017 Population Estimates

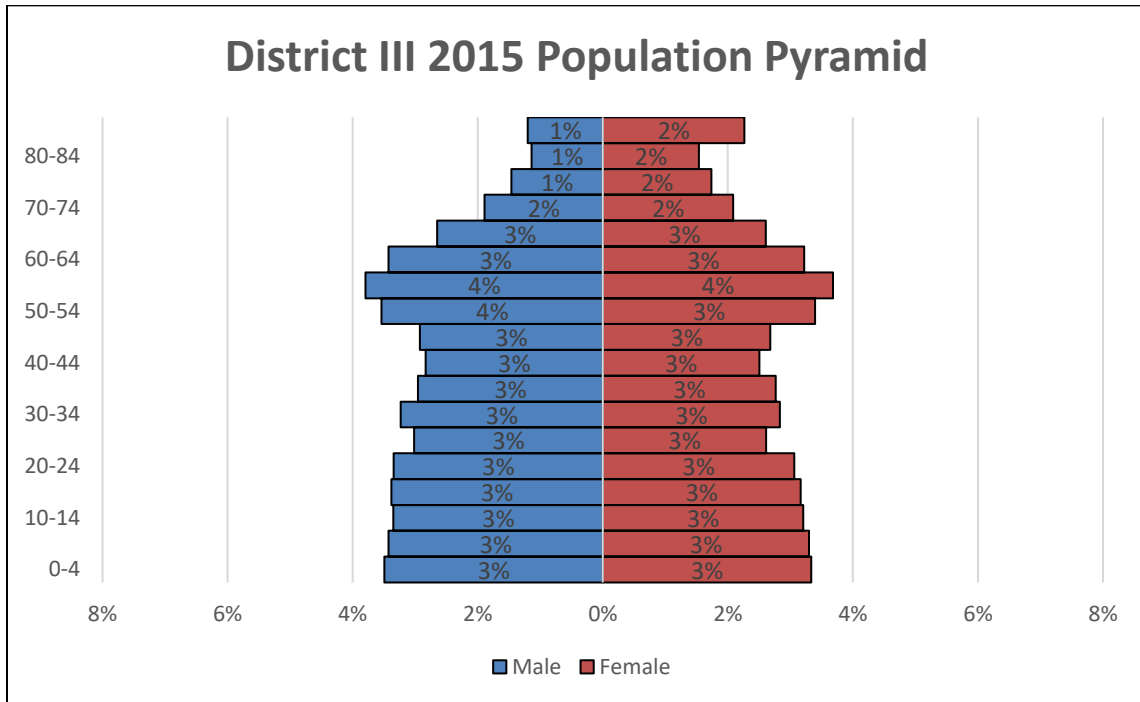
The age makeup of the region is illustrated in the following population pyramids (Figures 4 and 5). The figures show the aging of the area via the “Baby Boomer” generation. They also show a reduction in younger residents.

Figure 4



Source: http://dlr.sd.gov/lmic/menu_demographics.aspx

Figure 5



These “dependent Population” situations are further illustrated in Tables 3 and 4. The *Aged 65+* group increased in six counties, while seven counties experienced a loss of at least 10 percent. An explanation for the declining numbers would have to include both deaths and outmigration. People retire and move away for lifestyle and service reasons (i.e. warmer climate and access to healthcare). Statewide, the senior population grew by over 16 percent.

The changes in the *Under 18* group are more consistent. A total of 14 counties experienced a decline in numbers. Statewide, the growth rate was approximately 2.5 percent. An explanation would include lower birth rates and the outmigration of working age families.

Table 3
Changes in Population Aged 65+

	2000	2010	2015	% County Pop. 2015	% Change 2000-2015
Aurora	661	539	301	10.98%	-54.46%
Bon Homme	1,513	1,347	1,254	18.05%	-17.12%
Brule	905	914	925	17.65%	2.21%
Buffalo	133	137	193	9.20%	45.11%
Charles Mix	1,619	1,619	1,648	17.60%	1.79%
Davison	3,042	3,301	3,363	17.05%	10.55%
Douglas	780	727	721	24.42%	-7.56%
Gregory	1,189	1,013	1,024	24.43%	-13.88%
Hanson	467	467	467	13.79%	0.00%
Hutchinson	2,118	1,838	1,727	22.64%	-18.46%
Jerauld	588	519	457	22.62%	-22.28%
Lyman	528	548	577	14.87%	9.28%
Mellette	274	277	284	12.11%	3.65%
Sanborn	521	477	425	18.12%	-18.43%
Tripp	1,265	1,187	1,137	20.98%	-10.12%
Yankton	3,164	3,665	3,790	16.71%	19.79%
South Dakota	108,131	116,581	125,613	14.90%	16.17%

Source: US Census 2000, 2010 Table DP-1; 2011-2015 American Community Survey 5-Year Estimates

Table 4
Changes in Population Aged Under 18

	2000	2010	2015	% County Pop. 2015	% Change 2000-2015
Aurora	843	725	701	25.57%	-16.84%
Bon Homme	1,674	1,395	1,366	19.68%	-18.40%
Brule	1,636	1,358	1,368	26.11%	-16.38%
Buffalo	840	750	747	35.62%	-11.07%
Charles Mix	2,990	2,705	2,724	29.10%	-8.90%
Davison	4,753	4,575	4,519	22.92%	-4.92%
Douglas	958	687	673	22.80%	-29.75%
Gregory	1,164	964	969	16.61%	-40.21%
Hanson	926	1,081	1,103	32.58%	19.11%
Hutchinson	2,008	1,742	1,684	22.08%	-16.14%
Jerauld	492	435	495	24.50%	0.61%
Lyman	1,250	1,106	1,100	28.34%	-12.00%
Mellette	735	661	700	34.55%	-4.76%
Sanborn	687	513	429	18.29%	-37.55%
Tripp	1,782	1,323	1,243	22.93%	-30.25%
Yankton	5,567	4,974	4,842	21.35%	-13.02%
South Dakota	202,649	202,797	207,666	24.63%	2.48%

Source: US Census 2000, 2010 Table DP-1, Table QT-P2 ; 2011-2015 American Community Survey 5-Year Estimates Table

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Table 5 provides additional information on county population change. The numbers show that births outnumbered deaths in nine counties. Outmigration was a factor in 13 counties. The aggregate population figures do not equal the 2010-2017 change totals since the 2017 number is an estimate. The table still illustrates that migration is an element in population analysis.

Table 5
Population Change Cumulative Estimate
April 1, 2010 to July 1, 2017

County	2010 Population	2017 Population Estimate	2010-2017 Change	Births	Deaths	Migration
Aurora	2,701	2,738	37	261	189	-44
Bon Homme	7,058	6,984	-74	483	528	-36
Brule	5,282	5,312	30	535	406	-77
Buffalo	1,934	1,999	65	361	157	-117
Charles Mix	9,154	9,428	274	1,151	715	-135
Davison	19,485	19,704	219	1,868	1,511	-148
Douglas	2,994	2,931	-63	277	302	-41
Gregory	4,270	4,226	-44	364	443	36
Hanson	3,330	3,423	93	327	144	-90
Hutchinson	7,337	7,358	21	734	802	84
Jerauld	2,091	2,028	-63	166	182	-29
Lyman	3,761	3,904	143	517	235	-134
Mellette	2,026	2,088	62	260	164	-53
Sanborn	2,354	2,450	96	246	197	47
Tripp	5,648	5,460	-188	499	501	-185
Yankton	22,436	22,662	226	1,960	1,604	-116
South Dakota	816,227	869,666	53,439	87,872	53,467	20,859

Source: American FactFinder 2017 Population Estimates Table PEPTCOMP, Table PEDSR6H

The region's minority population has grown as a percentage of total residents. Table 6 provides an overview of various minority groups by county. Native Americans constitute the largest minority category. The region contains portions of four Reservations (Figure 6).

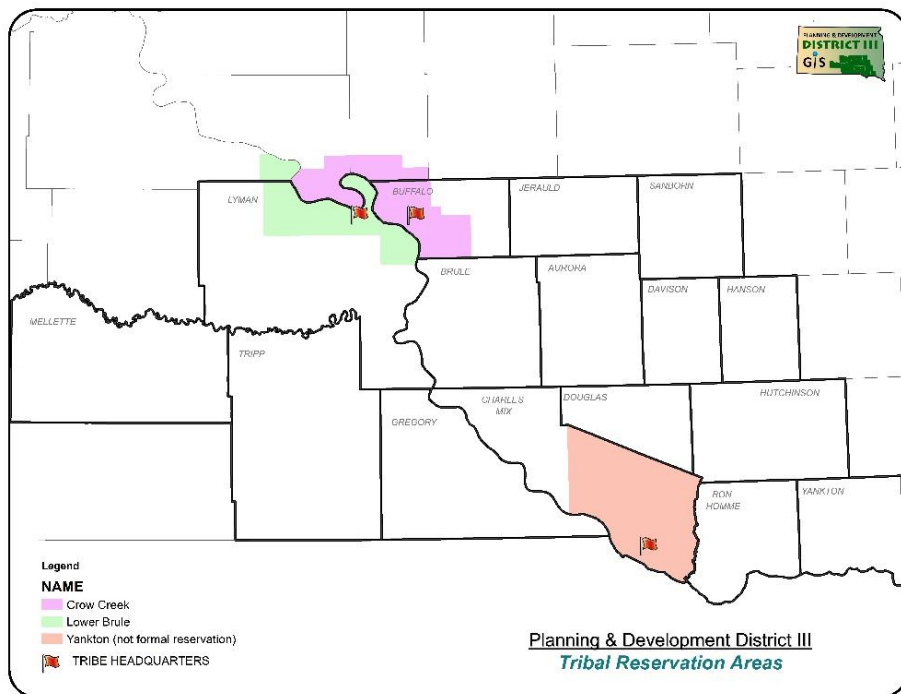
Table 6
Minority Population by County

	Native American		Hispanic		Black or African American		Asian	
	2010	2015	2010	2015	2010	2015	2010	2015
Aurora	48	109	101	166	13	15	20	6
Bon Homme	565	438	130	280	87	94	22	79
Brule	558	723	75	22	19	26	16	3
Buffalo	1,621	1,623	35	21	7	25	4	0
Charles Mix	3,114	3,241	152	232	43	69	48	28
Davison	652	764	294	435	174	213	137	112
Douglas	72	115	23	26	16	6	5	1
Gregory	396	424	38	34	22	12	17	48
Hanson	18	72	15	33	4	118	15	10
Hutchinson	81	209	120	136	48	20	16	11
Jerauld	17	13	84	51	2	14	6	0
Lyman	1,538	1,567	42	13	21	13	13	47
Mellette	1,221	1,261	30	94	5	0	5	2
Sanborn	23	17	28	44	5	0	7	4
Tripp	907	925	60	33	17	38	13	25
Yankton	751	730	614	738	438	492	155	193
District III	11,618	12,231	1,841	1,758	921	1,155	499	569
South Dakota	82,073	86,811	22,119	27,914	14,705	18,708	10,216	12,968

Source: 2010 SF1 100% Data; 2011-2015 American Community Survey 5-Year Estimates

The majority of counties experienced growth in minority populations over the past several years.

Figure 6



The region's Native American population is poised to become a significant factor in economic development. Tribal characteristics that contribute to this assumption are:

1. a young population;
2. a growing interest in entrepreneurship; and
3. a renewed community interest in traditional values and family relationships.

Changes in development conditions, such as new Tribal enterprises, may alter future prospects for many residents. Regardless of the individual Tribal situation, the challenges of bringing jobs to the reservation will continue. Legal, cultural, and geographic factors will probably be considerations in attracting outside investment and job opportunities. On one hand, the Tribes have advantages in soliciting business interest from tax and labor perspectives. Property control and court jurisdictional questions may cause investors to be hesitant. The Tribes are well aware of these issues and mitigating measures may remove perceived obstacles to development.

Another minority group is also expected to impact the region's workforce in the future. The region's Hispanic population has grown over the past 15 years as shown in Table 7.

Table 7
Changes in Hispanic Population

	2000	2010	2015	Difference 2000-2015	% Change 2000- 2015
Aurora	64	101	166	102	159.38%
Bon Homme	42	130	280	238	566.67%
Brule	26	75	22	-4	-15.38%
Buffalo	18	35	21	3	16.67%
Charles Mix	177	152	232	55	31.07%
Davison	130	294	435	305	234.62%
Douglas	41	23	26	-15	-36.59%
Gregory	17	38	34	17	100.00%
Hanson	3	15	33	30	1000.00%
Hutchinson	41	120	136	95	231.71%
Jerauld	7	84	51	44	628.57%
Lyman	18	42	13	-5	-27.78%
Mellette	35	30	94	59	168.57%
Sanborn	27	28	44	17	62.96%
Tripp	55	60	33	-22	-40.00%
Yankton	395	614	738	343	86.84%

Source: US Census 2000, 2010 Table DP-1; 2011-2015 American Community Survey 5-Year Estimates

The Hispanic population appears to be associated with certain economic activities, such as food processing and value added agriculture (i.e. dairy farms). The region's potential for agricultural based products and manufacturing should attract new workers into the area. A significant number of these employees may be Hispanic or other minorities.

English as a second language may be an issue with student education or employee training. Full cultural assimilation may take a generation, but other ethnic groups have adapted to life in rural South Dakota over the past 125 years, so the long-term outlook is positive.

Ethnic or cultural based immigration into the region includes a number of Anish families that have settled in Hutchinson County. Their presence adds a new dimension to “economic accommodation,” since they have limited use of modern technologies.

The area’s need for population offers opportunities for a variety of groups. Local acceptance is an ongoing process that is not unique to rural communities throughout the Great Plains.

Although recent demographic trends indicate a modest growth in regional population, the long-term expectations are troubling for 13 of 16 counties. Based upon a linear projection model, the numbers are ominous.

Table 8
Population Projections 2015-2040

	2015 Projected	2015 Actual	Difference	2020	2030	2040	Difference 2015-2040	% Change 2015-2040
Aurora	2,563	2,742	179	2,425	2,170	1,941	-801	-29.21%
Bon Homme	6,824	6,946	122	6,643	6,295	5,966	-980	-14.11%
Brule	5,163	5,240	77	5,072	4,895	4,725	-515	-9.82%
Buffalo	1,956	2,097	141	2,001	2,094	2,191	94	4.48%
Charles Mix	8,907	9,361	454	8,691	8,274	7,878	-1,438	-15.84%
Davison	19,815	19,720	-95	20,131	20,779	21,447	1,727	8.76%
Douglas	2,849	2,952	-145	2,704	2,435	2,193	-759	-25.71%
Gregory	4,043	4,191	148	3,827	3,428	3,072	-1,119	-26.70%
Hanson	3,234	3,386	152	3,141	2,961	2,792	-594	-17.54%
Hutchinson	7,049	7,268	219	6,767	6,235	5,746	-1,522	20.94%
Jerauld	1,938	2,020	82	1,814	1,589	1,392	-628	31.09%
Lyman	3,696	3,881	185	3,638	3,526	3,416	-465	-11.98%
Mellette	1,995	2,026	31	1,944	1,845	1,751	-275	-13.57%
Sanborn	2,202	2,345	143	2,059	1,801	1,574	-771	-32.88%
Tripp	5,413	5,420	7	5,191	4,774	4,390	-1,030	-19.00%
Yankton	23,007	22,682	-325	23,591	24,804	26,079	3,397	14.98%
District III	100,158	102,277	2,119	98,506	95,283	92,166	-10,111	-9.89%

Source: Planning and Development District III

The regional population loss is projected to be approximately 10 percent. The decline would impact school districts, employers, and service providers. Rural counties continue to lead in population challenges. Their smaller numbers are expected to decline further, which may result in dramatic social and economic change. Even relatively slight improvements in this outlook could also have significant positive impacts.

The region’s ability to attract and retain residents will, in part, depend upon its employment prospects. Table 9 contains information on worker compensation. The region’s annual pay lags behind the state average by a significant amount (\$8,414 or 19 percent). The reasons for the difference are too numerous to accurately describe, but general assumptions include:

- ❖ type of employment available;
- ❖ limited economic activity; and
- ❖ overall dependence upon agricultural production.

Table 9
2017 Worker Information—Compensation

	Estab	Workers	Annual Pay	Payroll
Aurora	103	920	\$33,644	\$30,952,480
Bon Homme	209	1,729	\$37,076	\$64,104,404
Brule	269	1,916	\$33,800	\$64,760,800
Buffalo	30	518	\$40,352	\$20,902,336
Charles Mix	346	3,401	\$35,360	\$120,259,360
Davison	821	12,115	\$40,664	\$492,644,360
Douglas	126	1,072	\$37,908	\$40,637,376
Gregory	235	1,563	\$33,280	\$52,016,640
Hanson	95	619	\$40,404	\$25,010,076
Hutchinson	272	2,595	\$39,052	\$101,339,940
Jerauld	109	1,555	\$35,360	\$54,984,800
Lyman	125	1,409	\$31,252	\$44,034,068
Mellette	48	336	\$26,728	\$8,980,608
Sanborn	77	543	\$33,904	\$18,409,872
Tripp	260	2,229	\$34,320	\$76,499,280
Yankton	839	12,674	\$44,460	\$563,486,040
District III	3,964	45,194	\$36,098	\$1,779,022,440
South Dakota	32,998	424,728	\$44,512	\$18,905,492,736

Source: Produced by the SD Dept of Labor and Regulation, LMIC, in cooperation with the Bureau of Labor Statistics

Table 9 does not include farm operators. The information includes average annual pay and the payrolls of those employers covered by the unemployment programs.

The main regional employment sectors by number of employees are presented in Table 10. The primary employment “drivers” include:

- ★ Education/Health Services
- ★ Natural Resources, Mining, and Construction
- ★ Trade, Transportation, and Utilities

The region’s overall employment numbers grew by approximately 1.5 percent between 2011 and 2016. South Dakota’s job growth was 5.1 percent for the same period.

Table 10
Civilian Employed Wage and Salaried Workers by Industry

		Aurora	Bon Homme	Brule	Buffalo	Charles Mix	Davison	Douglas	Gregory	Hanson	Hutchinson	Jerauld	Lyman	Mellette	Sanborn	Tripp	Yankton	District III	South Dakota
Labor Force (Total # of Jobs)	2016	1,410	2,881	2,640	610	3,883	10,435	1,519	2,039	1,721	3,696	1,010	1,735	736	1,298	2,895	11,553	50,061	434,693
	2011	1,414	3,024	2,776	607	3,998	10,336	1,473	2,038	1,528	3,482	1,010	1,730	703	1,190	2,906	11,114	49,329	413,552
Difference		-4	-143	-136	3	-115	99	46	1	193	214	0	5	33	108	-11	439	732	21,141
Natural Resources, Mining, Construction	2016	402	575	569	88	705	1,690	398	523	385	868	282	369	248	384	968	1,216	9,670	60,780
	2011	373	645	444	47	902	1,236	424	656	440	739	248	387	228	324	909	1,102	9,104	55,540
Difference		29	-70	125	41	-197	454	-26	-133	-55	129	34	-18	20	60	59	114	566	5,240
Manufacturing	2016	103	336	77	2	165	1,462	110	33	199	359	139	9	0	191	49	2,026	5,260	43,188
	2011	92	223	86	16	153	1,248	136	57	152	372	114	27	3	119	80	1,786	4,664	41,335
Difference		11	113	-9	-14	12	214	-26	-24	47	-13	25	-18	-3	72	-31	240	596	1,853
Trade, Transportation, and Utilities	2016	228	455	330	40	727	1,877	296	431	237	643	184	283	126	231	433	2,153	8,674	80,481
	2011	229	425	390	38	689	1,840	241	301	207	653	172	306	126	225	525	2,060	8,427	76,897
Difference		-1	30	-60	2	38	37	55	130	30	-10	12	-23	0	6	-92	93	247	3,584
Financial Activities	2016	38	150	127	23	133	197	50	124	104	165	54	46	3	35	171	701	2,121	31,499
	2011	64	183	136	20	195	379	46	126	81	195	49	68	28	62	119	1,002	2,753	31,294
Difference		-26	-33	-9	3	-62	-182	4	-2	23	-30	5	-22	-25	-27	52	-301	-632	205
Professional/ Business Services	2016	70	119	123	6	192	606	64	66	89	153	19	80	27	47	85	553	2,299	26,482
	2011	47	109	76	33	141	668	27	40	57	162	34	34	15	38	93	540	2,114	24,768
Difference		23	10	47	-27	51	-62	37	26	32	-9	-15	46	12	9	-8	13	185	1,714
Education/ Health Services	2016	370	723	835	191	1,006	2,414	343	529	455	884	209	413	210	238	734	2,760	12,314	104,783
	2011	339	780	900	184	1,094	2,690	373	577	351	966	254	413	215	216	751	2,398	12,501	97,813
Difference		31	-57	-65	7	-88	-276	-30	-48	104	-82	-45	0	-5	22	-17	362	-187	6,970
Information	2016	8	23	99	0	45	245	11	22	23	70	2	20	0	24	55	59	706	7,257
	2011	18	33	34	0	34	132	13	20	25	18	7	35	7	23	10	121	530	7,960
Difference		-10	-10	65	0	11	113	-2	2	-2	52	-5	-15	-7	1	45	-62	176	-703
Government	2016	72	211	107	100	260	436	53	89	70	101	21	260	62	62	139	656	2,699	20,754
	2011	77	273	146	99	264	403	85	65	83	117	36	227	40	49	75	500	2,539	21,846
Difference		-5	-62	-39	1	-4	33	-32	24	-13	-16	-15	33	22	13	64	156	160	-1,092

Source: SD Department of Labor, Labor Market Information Center; 2011, 2016 Census Data from American Community Surveys. The categories of "Leisure/Hospitality" and "Other Services" are not included in this table

A “snapshot” of the area’s unemployment level is shown in Table 11. Only six counties had unemployment levels at or below the statewide average. Several counties experienced significantly higher percentages. Reasons for the differences would include reservations populations.

Table 11
May 2018 Labor Force Statistics

	Labor Force	Employment	Unemployment	Rate
Aurora	1,542	1,499	43	2.8%
Bon Homme	2,900	2,831	69	2.4%
Brule	2,503	2,434	69	2.8%
Buffalo	691	650	41	5.9%
Charles Mix	3,916	3,789	127	3.2%
Davison	11,062	10,786	276	2.5%
Douglas	1,591	1,548	43	2.7%
Gregory	2,022	1,964	58	2.9%
Hanson	1,743	1,667	76	4.4%
Hutchinson	3,657	3,563	94	2.6%
Jerauld	1,167	1,139	28	2.4%
Lyman	1,702	1,638	64	3.8%
Mellette	773	738	35	4.5%
Sanborn	1,160	1,127	33	2.8%
Tripp	2,999	2,923	76	2.5%
Yankton	11,745	11,437	308	2.6%
District III	51,173	49,733	1,440	2.8%
South Dakota	458,182	445,118	13,064	2.6%

Source: The SD Labor Force statistics are produced by the LMIC in cooperation with the US Bureau of Labor Statistics

The region’s education attainment is outlined in Table 12.

Table 12

Percent of Population Age 18+ Achieving Educational Milestones					
	Population 18+	Less Than High School Graduate	High School Graduate (includes equivalency)	Some College or Associate's Degree	Bachelor's Degree or Higher
Aurora County	2,021	12.47%	34.98%	31.77%	20.78%
Bon Homme County	5,740	12.18%	39.37%	31.59%	16.86%
Brule County	3,955	14.97%	29.18%	32.34%	23.51%
Buffalo County	1,263	24.54%	40.86%	27.32%	7.28%
Charles Mix County	6,534	13.02%	38.18%	31.97%	16.82%
Davison County	15,292	9.21%	27.54%	38.86%	24.39%
Douglas County	2,293	14.57%	36.02%	29.74%	19.67%
Gregory County	3,223	11.51%	37.23%	32.80%	18.46%
Hanson County	2,289	10.05%	34.25%	36.13%	19.57%
Hutchinson County	5,575	15.55%	35.07%	29.49%	19.89%
Jerauld County	1,556	11.95%	41.13%	30.14%	16.77%
Lyman County	2,743	14.58%	39.45%	29.49%	16.48%

Percent of Population Age 18+ Achieving Educational Milestones					
	Population 18+	Less Than High School Graduate	High School Graduate (includes equivalency)	Some College or Associate's Degree	Bachelor's Degree or Higher
Mellette County	1,434	19.39%	40.31%	27.55%	12.76%
Sanborn County	1,914	10.97%	34.54%	36.89%	17.61%
Tripp County	4,245	12.49%	37.74%	28.08%	21.70%
Yankton County	17,817	9.60%	33.31%	32.21%	24.88%
District III Area	77,894	11.85%	34.16%	32.90%	21.09%
South Dakota	641,443	9.60%	30.66%	34.79%	24.95%
United States	244,945,724	13.12%	27.85%	31.29%	27.74%

Source: 2012-2016 American Community Survey 5-Year Estimate, Table S1501

Although the region leads the state in high school graduates, it falls behind in college degrees.

The area contains two technical training facilities (Mitchell Technical Institute-Mitchell and the Regional Technical Education Center-Yankton). Technical education is becoming an attractive career preparation pathway as job opportunities expand and compensation grows. Employers are also seeking workers with either the demonstrated skills or aptitude to learn specific technical trades.

The needs of manufacturers and other trade-oriented businesses have generated interest and responses from state leadership. The actions included increased numbers of scholarships and revisions in school curriculum "tracks".

Regional higher education offerings are broadened by the presence of two private institutions (Mount Marty College-Yankton and Dakota Wesleyan University-Mitchell). These entities offer a variety of degrees in fields ranging from education and business to nursing and chemistry.

Finally, the region's K-12 enrollment has been essentially stable over the past six years. Higher education should have additional local students to draw from in the short term.

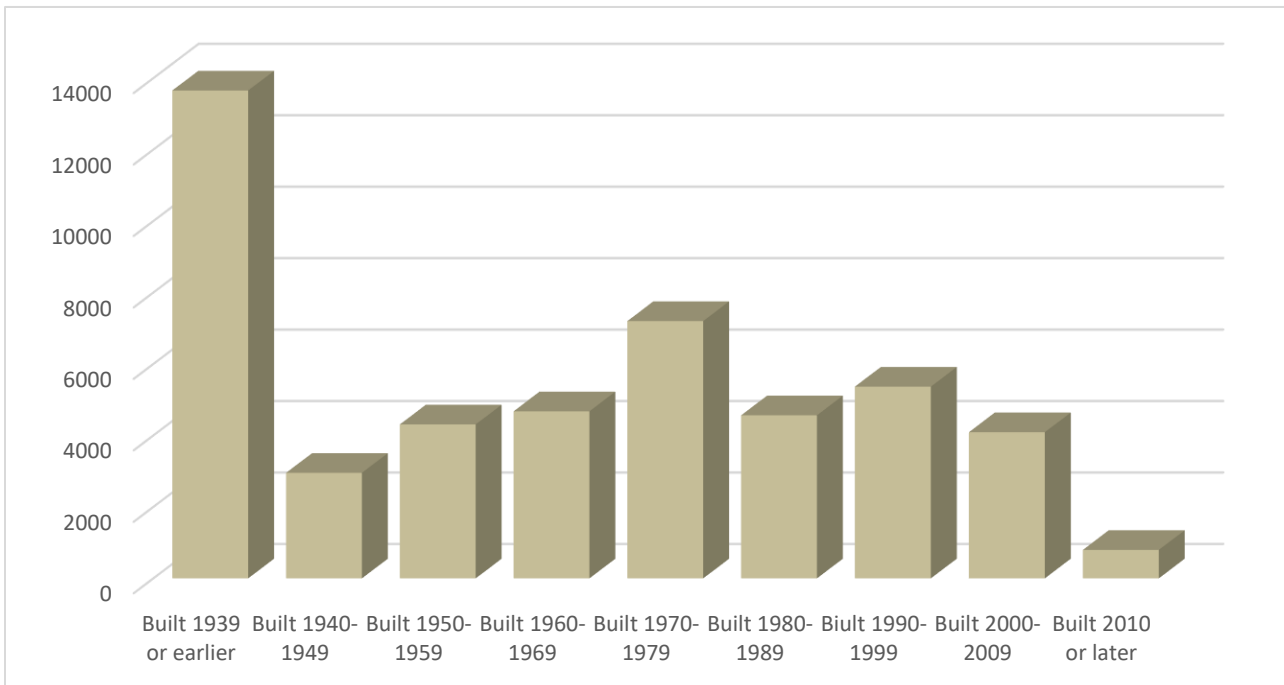
Table 13

Fall Census K-12 School Enrollment			
	2012	2016	2017
District III Totals	18150	18322	18310
State Totals	142783	148785	149499

Source: SD Department of Education

Employers are also expressing concern about workforce housing conditions. The majority of the region's housing stock is over 40 years old (Figure 7).

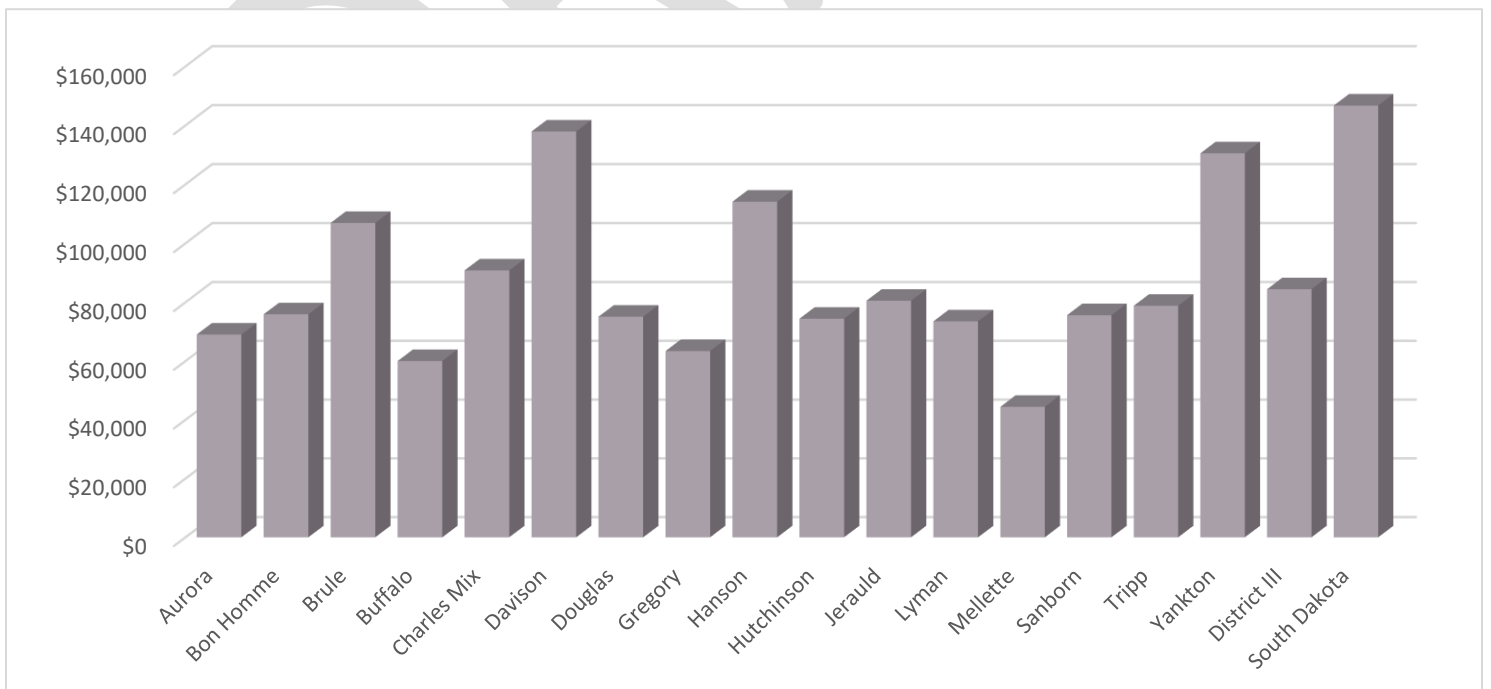
Figure 7
District III Housing Year Structure Built (2016)



Source: 2012-2016 American Community Survey 5-Year Estimates

The value of housing imparts perceptions associated with the unit’s age, characteristics, and condition. Figure 8 illustrates that the median value of housing stock throughout the 16 counties is lower than the state figure. Only two counties (Davison and Yankton) approach the statewide median value.

Figure 8
Median Value of Owner-Occupied Units (2016)

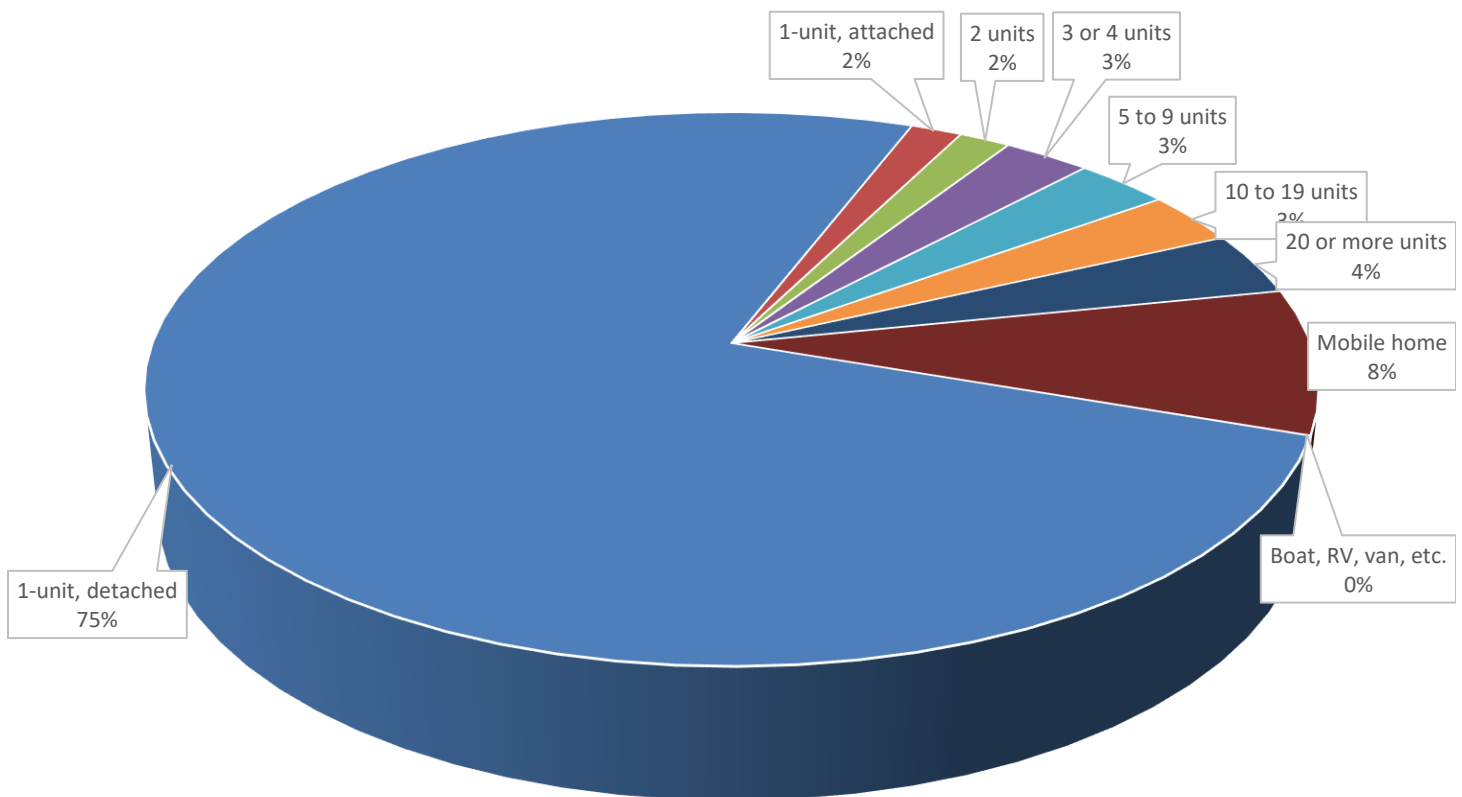


Source: 2012-2016 American Community Survey 5-Year Estimates

Counties with significant reservation housing developments have much lower values (Buffalo, Lyman and Mellette). Charles Mix County is an exception to this situation.

Another housing challenge is the dominance of single family structures. Figure 9 illustrates the mix of housing types within the region. The limited number of multi-family units inhibits the choices for working age residents and retirees. Developers are not inclined to build housing in rural communities, and the cost of construction makes it difficult for development groups to build “spec” housing.

Figure 9
Units in Structure (2016)



- 1-unit, detached
- 1-unit, attached
- 2 units
- 3 or 4 units
- 5 to 9 units
- 10 to 19 units
- 20 or more units
- Mobile home
- Boat, RV, van, etc.

Source: 2012-2016 American Community Survey 5-Year Estimates

Environmental and Associated Resource Information

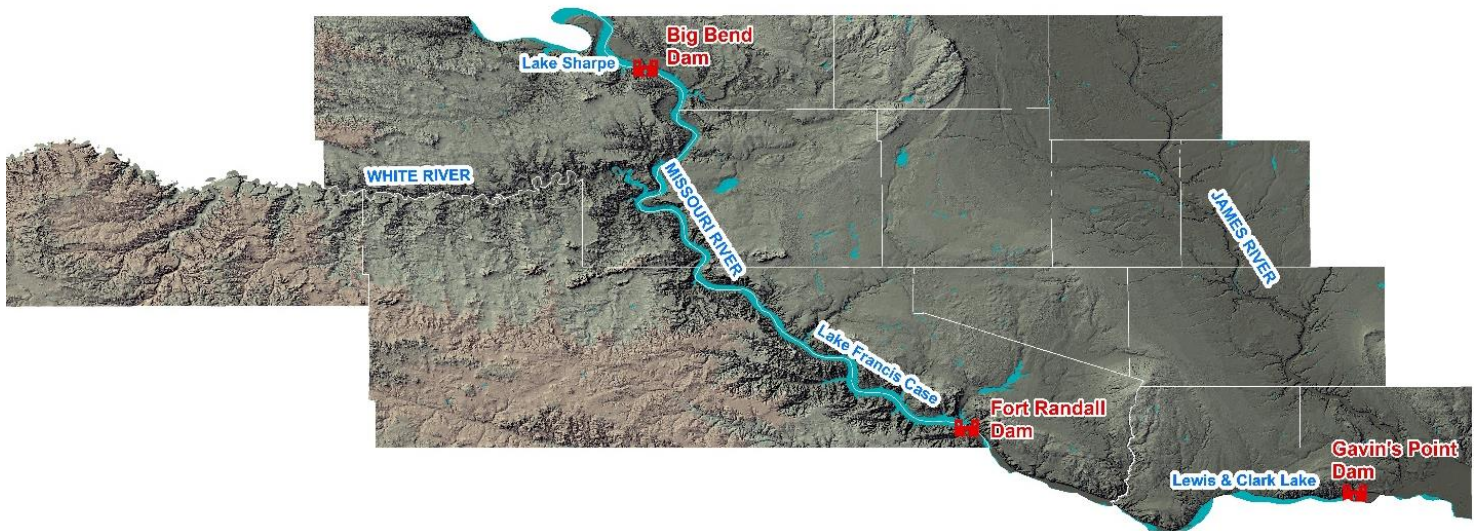
The 16-county region has the following environmental characteristics:

- ✓ 12,218 square mile service area
- ✓ Primary climate type – humid continental

- ✓ 130-160 day growing season
- ✓ Average annual precipitation from under 16 to around 24 inches
- ✓ Main natural features – Missouri and James River valleys

The area's topography is shown in Figure 10. Counties east of the Missouri River are generally "flatter" and more conducive to crop production, while "west river" counties have greater relief and more pasture land.

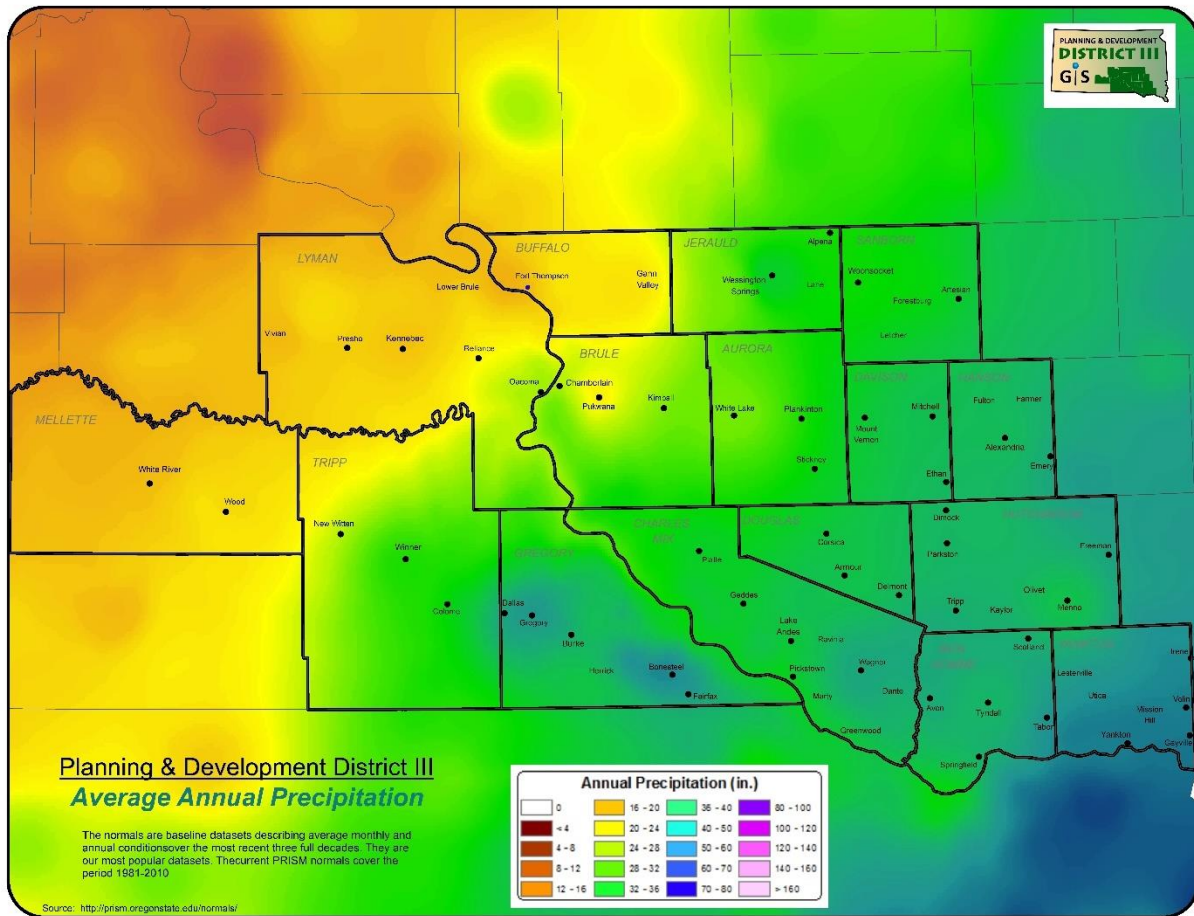
Figure 10
Relief Map
District III Service Area



Source: U.S. Geological Survey (USGS), EROS Data Center, National Elevation Dataset

The availability of water is always an issue for the region. The average annual precipitation distribution is illustrated in Figure 11.

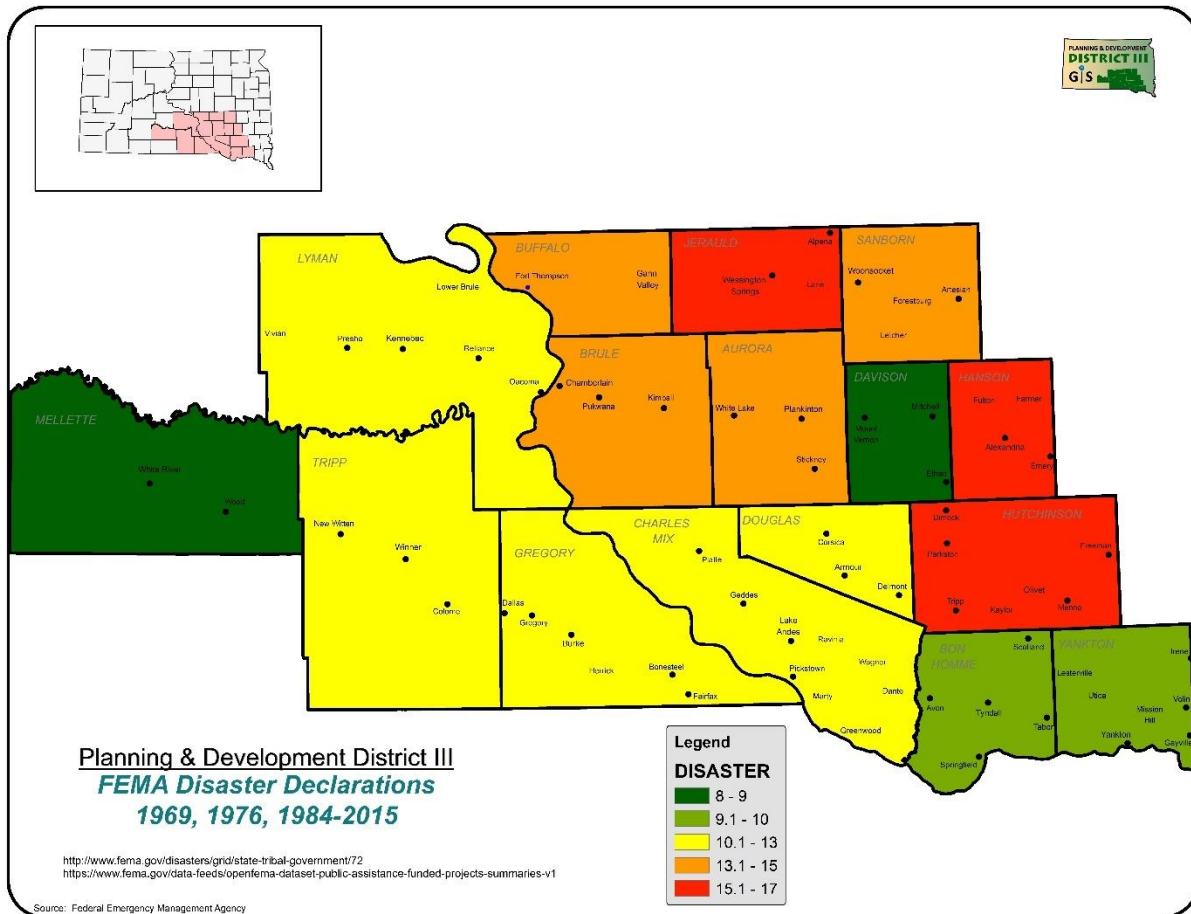
Figure 11



Water and its application for crops, livestock, domestic use and processing is a critical development variable. The region has two major dams on the Missouri River which provide a valuable source of potable water and recreation opportunities.

The area has experienced prolonged weather events and periods of adverse conditions that have resulted in economic disruptions and widespread public and private property damage. Figure 12 shows the number of federal disaster designations, within the region, in recent history.

Figure 12



Although disasters are common and need to be anticipated, they are not a continuous issue.

The region's soils and corresponding ability to produce quality agricultural commodities are one of its major natural resources. Drainage, farming practices, and conservation issues all impact the land and its productivity. Agriculture and its off shoots will be reviewed in the "Economic Relationships" section of this chapter.

Wildlife is another regional resource that adds to the area's quality of life and economy. Pheasants, deer, and various fish species, along with waterfowl, attract visitors and tourism dollars. The area is home to several endangered species (Table 14). The awareness of endangered species has grown, along with a public concern for invasive species. The Asian carp and zebra mussel have impacted the Missouri River system. Their presence and proliferation could seriously change the ecosystem.

Table 14
Endangered Species

County	Group	Species	Status
Aurora	Bird	Red Knot	T
		Whooping Crane	E
	Fish	Topeka Shiner	E
	Mammal	Northern Long-Eared Bat	T
Bon Homme	Bird	Least Tern	E
		Piping Plover	T (CH)
		Red Knot	T
		Whooping Crane	E
	Fish	Pallid Sturgeon	E
		Topeka Shiner	E (CH)
Mammal	Northern Long-Eared Bat	T	
Brule	Bird	Least Tern	E
		Piping Plover	T
		Red Knot	T
		Whooping Crane	E
	Fish	Pallid Sturgeon	E
Mammal	Northern Long-Eared Bat	T	
Buffalo	Bird	Least Tern	E
		Piping Plover	T
		Red Knot	T
		Whooping Crane	E
	Fish	Pallid Sturgeon	E
Mammal	Northern Long-Eared Bat	T	
Charles Mix	Bird	Least Tern	E
		Piping Plover	T (CH)
		Red Knot	T
		Whooping Crane	E
	Fish	Pallid Sturgeon	E
Mammal	Northern Long-Eared Bat	T	
Davison	Bird	Red Knot	T
		Whooping Crane	E
	Fish	Topeka Shiner	E
	Mammal	Northern Long-Eared Bat	T
Douglas	Bird	Red Knot	T
		Whooping Crane	E
	Fish	Topeka Shiner	E
	Mammal	Northern Long-Eared Bat	T
Gregory	Bird	Least Tern	E
		Piping Plover	T (CH)
		Red Knot	T
		Whooping Crane	E
	Fish	Pallid Sturgeon	E
Mammal	Northern Long-Eared Bat	T	
Insect	American Burying Beetle	E	
Hanson	Bird	Red Knot	T
		Whooping Crane	E
	Fish	Topeka Shiner	E
	Mammal	Northern Long-Eared Bat	T
Hutchinson	Bird	Red Knot	T
		Whooping Crane	E
	Fish	Topeka Shiner	E

	Mammal	Northern Long-Eared Bat	T
	Plant	Western Prairie Fringed Orchid	T
Jerauld	Bird	Red Knot	T
		Whooping Crane	E
	Fish	Topeka Shiner	E
	Mammal	Northern Long-Eared Bat	T
Lyman	Bird	Least Tern	E
		Piping Plover	T (CH)
		Red Knot	T
		Whooping Crane	E
	Fish	Pallid Sturgeon	E
	Mammal	Black-Footed Ferret	E
		Northern Long-Eared Bat	T
Mellette	Bird	Red Knot	T
		Whooping Crane	E
	Mammal	Black-Footed Ferret Northern Long-Eared Bat	EXPN T
Sanborn	Bird	Red Knot	T
		Whooping Crane	E
	Fish	Topeka Shiner	E
	Mammal	Northern Long-Eared Bat	T
Tripp	Bird	Red Knot	T
		Whooping Crane	E
	Mammal	Northern Long-Eared Bat	T
	Insect	American Burying Beetle	E
Yankton	Bird	Least Tern	E
		Piping Plover	T (CH)
		Red Knot	T
		Whooping Crane	E
	Fish	Pallid Sturgeon	E
		Topeka Shiner	E
	Mammal	Northern Long-Eared Bat	T
Plant	Western Prairie Fringed Orchid	T	
Clam	Higgins Eye (pearlymussel)	E	
	Scaleshell Mussel	E	

Source: US Fish and Wildlife Service, Endangered Species by County

The region has the benefit of visitor destination attractions, mainly along the Missouri River reservoirs. Resorts, campgrounds, and marinas on or near Lewis and Clark Lake and Lake Francis Case, are significant visitor “draws” for six or seven months of the year. The only season with a noticeable drop off is the winter. Approximately one million persons per year utilize the facilities near Lewis and Clark Lake (Yankton). Thousands more visit Lake Francis Case near Chamberlain, Pickstown, and Platte. The Missouri River, north of the Big Bend Dam (Ft. Thompson) is less developed, but it still has recreation access points that attract visitors.

Infrastructure

As defined in previous CEDS documents, the term infrastructure refers to:

“The physical features, public utilities, and organizational structures that affect development.”

The word's connotations could also be easily expanded to include intellectual, societal and cultural assets. In other words, there are definable elements of "human capital" that contribute to the region's capacity for development. The scope of these attributes range from the work ethic and community spirit of small town populations to the family ties and mutual support of Native American Tribal members. These qualities form the fabric and foundation of everyday life in the region. They also enable the region to bounce back from economic adversity and face the future with a positive attitude. This topic will be explored further in the discussion on resiliency.

A primary infrastructure feature is the availability and quality of water. The majority of communities within the district utilize the Missouri River as a water source. Numerous towns utilize this source through one of several rural water systems. Water system challenges include:

- ✓ Aging distribution system piping;
- ✓ Water losses from leaking service lines;
- ✓ Capacity issues, which limit residential and commercial growth; and
- ✓ Installing modern water meters.

The region's access to surface water is dependent upon maintaining its quality. Sedimentation is an issue for Missouri River reservoirs. Algae blooms and chemical loading have impacted smaller lakes and reservoirs.

Although the region has long practiced regional cooperation in obtaining domestic drinking water, municipal sewer systems remain an individual community responsibility. Sanitary sewer districts are allowed by state law, but few situations lend themselves to that option. Sewer systems face the same challenges as water utilities, such as age and capacities. They also need to address environmental regulations and the needs of business customers.

The local investment in water and sewer improvements has been significant. Between 2010 and 2018, 190 applicants sought \$171,479,990 in water and wastewater assistance. A total of \$122,759,752 was approved. The threshold for grant assistance has been increasing, depending upon the funding source. The South Dakota Department of Environmental and Natural Resources (DENR) expects communities to establish certain fee levels before grant assistance is considered. The threshold amounts in 2018 were:

\$30 minimum water (5,000 gallons)
\$30 minimum sewer (5,000 gallons)

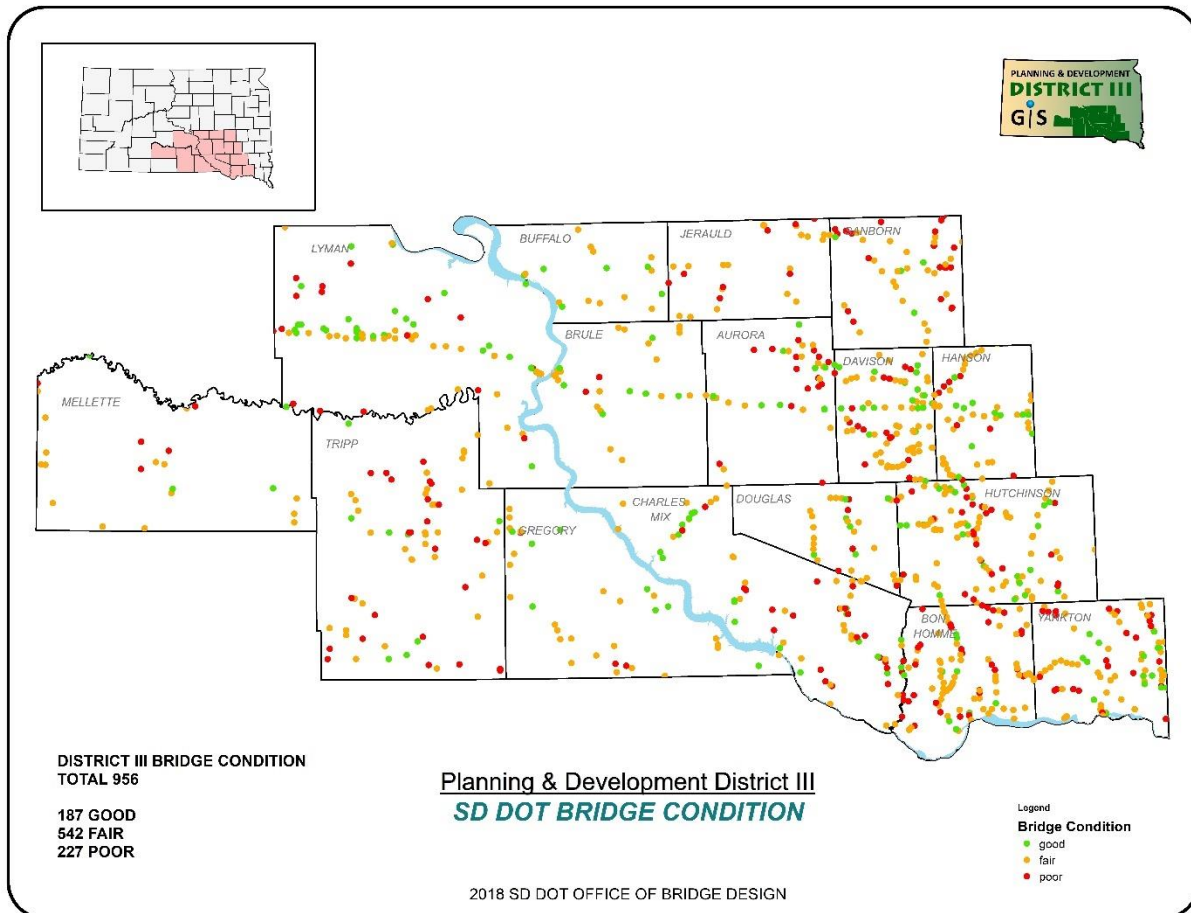
Access to loan assistance is not an issue. The local considerations involve discussions on how much debt service/rate increases are acceptable. Decisions are sometimes referred to public votes, which may delay or change proposed projects. Communities will continue to design and implement water and waste projects as systems deteriorate or changing conditions require. There has been interest in more "systematic" infrastructure approaches as part of annual capital improvement planning (CIPs). The region's largest communities (Mitchell and Yankton) have institutionalized the CIP process as an annual budgeting exercise. Smaller towns rarely review their capital project needs in such a formal manner. They typically react to problems and needs as they occur.

Roads and bridge needs are benefiting from additional planning at all levels. The South Dakota Department of Transportation (DOT) has encouraged counties to undertake an annual road and bridge project planning process. The DOT’s “Bridge Improvement Grant” (BIG) program provides additional funding to counties and cities under circumstances that involve the preparation of a plan and the implementation of a county wheel tax.

The region’s road system could utilize additional financial resources. Local governments have to make difficult decisions on where to invest their road maintenance and construction dollars. Farm to market access, public health, education and safety facilities and major traffic generators are priorities. Several county roads have been changed from hard surface to gravel because of low traffic and high maintenance costs.

The region is behind in bridge updates. Figure 13 shows the condition ratings for local bridges.

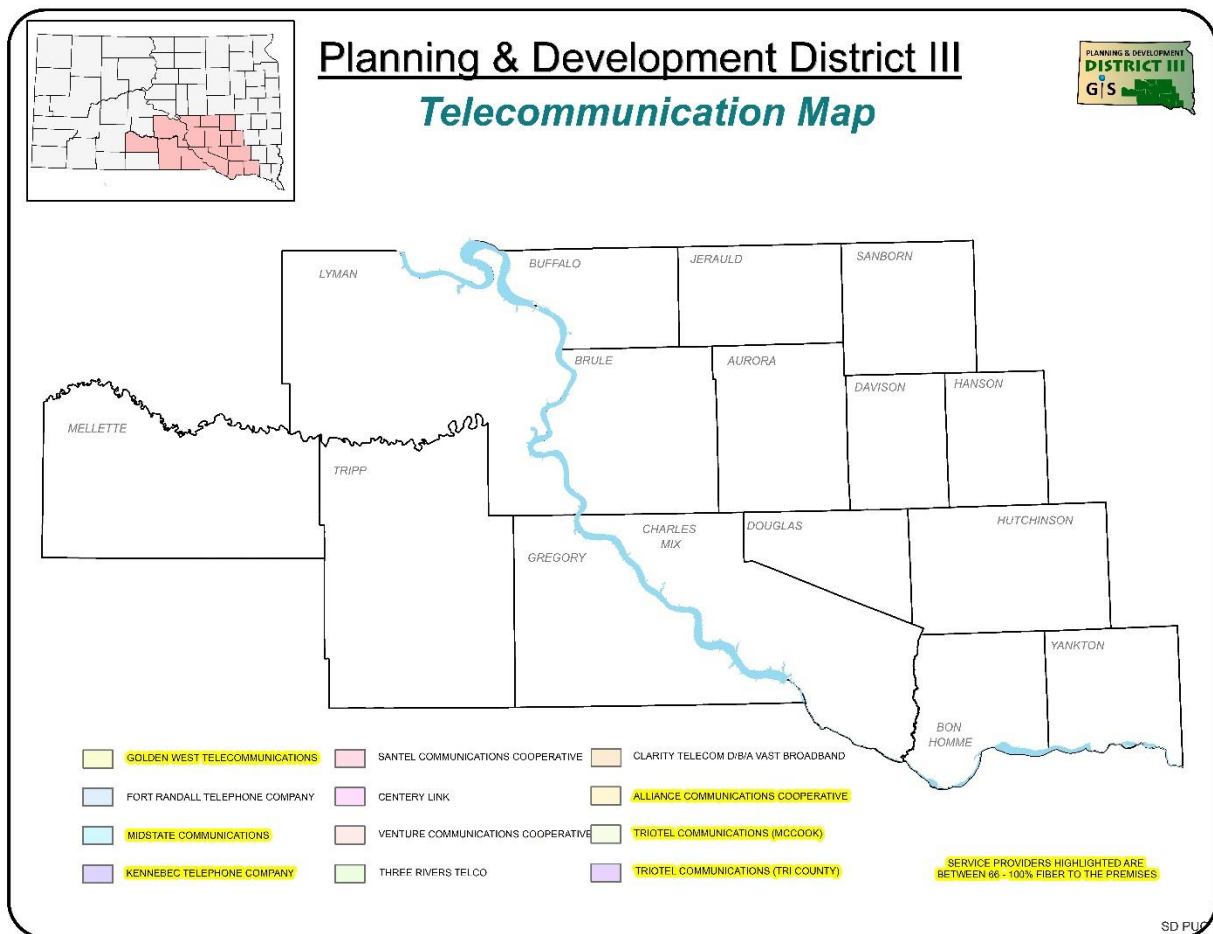
Figure 13



A total of 227 bridges were rated as poor, which emphasizes the need for additional resources. Other infrastructure situations are summarized below.

- Energy – The number and generation capacities of wind farms have increased. The public opposition to new wind towers has increased.
- Natural Gas – The lack of capacity has limited economic growth. A major provider is considering a project to serve a larger number of eastern South Dakota, including approximately 25 communities in the District III area. The ultimate corporate decision on the project will be based, in part, on the financing conditions and local interest in the service.
- Broadband – The region’s telecommunication coverage is presented in Figure 14. A significant number of carriers provide between 66% and 100% fiber to their customers, which is a higher speed than the national average.

Figure 14



Although there are areas with less than desired cell phone service or internet speed, most of the 16 county region have access that meets or exceeds levels in more populated areas.

- Railroads and Air Service – The region’s two short line railroads (MRC and Napa-Platte) have experienced additional traffic from grain shuttle facilities near Napa Junction, Kimball and Kennebec. Additional processing and/or shipping facilities are in the development stages. The short lines have advantages in shipping rates, which make them competitive on a national level.

Commercial air service is not available within the region. The area does contain several quality general aviation facilities that are used by the public and businesses.

Cluster Analysis

There are several industry clusters which employ many workers in the District III region. Some of the clusters have grown significantly over the period between 2007 and 2012. An analysis of industry clusters confirms that District III is an agricultural region.

Common practice tells us that a location quotient (LQ) in an industry cluster greater than 1.00 shows a higher concentration of employment within that cluster than in the same cluster at the national level. A LQ greater than 1.20 can be regarded as an industry cluster which is meeting the demands and needs of the region and exporting goods and services beyond the region. A LQ between 0.75 and 1.20 shows that the industry cluster is probably meeting the needs of the region in terms of employment. LQs less than 0.75 show a significantly lower concentration of jobs in the industry cluster than the national level and thus, need to import services to the region.

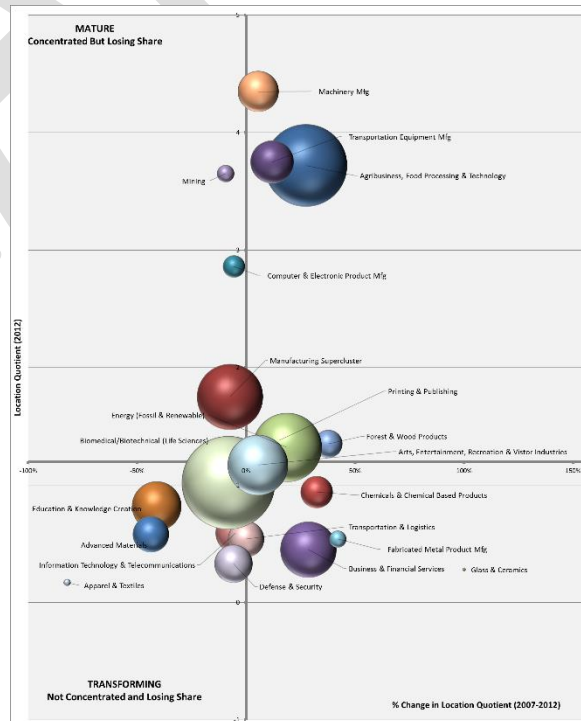
With the meaning of location quotients in mind, the most concentrated industry clusters in the District III region are Machinery Manufacturing (4.35), Transportation Equipment Manufacturing (3.75), Agribusiness, Food Processing & Technology (3.72), and Mining (3.65).

Agribusiness

The Agribusiness, Food Processing & Technology cluster has an employment of over 3,800 and has grown nearly 31.1% since 2007. This cluster includes industries such as Crop Production, Food Manufacturing, Pesticide & Fertilizer Manufacturing, Ag Implement Manufacturing, and Farm Supply Wholesalers. Douglas and Jerauld Counties are the main areas responsible for the high level and concentration of jobs in the Agribusiness cluster (LQs of 10.28 and 12.85 respectively). However, every county in the region except Buffalo County has a concentration of at least twice the national share of jobs in the same cluster.

Manufacturing

A review of the data in the District III region also reveals that there is a significant concentration of manufacturing. The Manufacturing Supercluster consists of six sub-clusters: Primary Metal, Fabricated Metal, Machinery, Computer & Electronic Product, Electrical Equipment-Appliance & Component, and Transportation Equipment Manufacturing. While the Manufacturing Supercluster lost employment between 2007 and 2012, its concentration as a specialized cluster of industries remains strong. In the District III region, Transportation



Equipment Manufacturing, Machinery Manufacturing, and Computer & Electronic Product Manufacturing are the centers of job concentration within the larger supercluster.

The heaviest concentration of jobs in the Manufacturing supercluster is in the Machinery Manufacturing sub-cluster. Machinery manufacturing firms employing over 800 people located in Hanson, Hutchinson, and Yankton Counties are the primary drivers of this sub-cluster. Davison and Yankton Counties are centers for Transportation Equipment manufacturing, employing just over 1,000 between them. There is a high concentration of jobs in the Electrical Equipment, Appliance & Component sub-cluster in Bon Homme County (LQ of 8.02). This is attributed to an electric utility headquartered in Tabor, SD.

Mining

The Mining cluster has been a strong industry cluster in the District III region. The jobs in this cluster are mainly tied to the quarrying and excavation sectors. There are quarries located in Douglas, Gregory, Hanson, and Yankton Counties which employ 142 people, which is considered highly concentrated. These quarries supply rock for construction projects throughout the region. One industry within the Mining cluster to keep an eye on is the Rail Transportation industry. The State of South Dakota has invested nearly \$50 million to upgrade a rail line between Mitchell and Presho, SD. The first phase between Mitchell and Chamberlain, SD was completed in 2012 while the second phase between Chamberlain and Vivian was completed in 2016. The local and regional impacts of this project have yet to be determined in terms of direct and indirect employment.

Biomedical

The Biomedical/Biotechnical (Life Sciences) cluster employs the most people in the region (4,903 workers), but employment in the cluster is not overly concentrated. Industries in this cluster include medical supplies and equipment manufacturing. However, most of the employment in the Biomedical cluster is attributed to the Ambulatory Health Care Services industry (clinics, hospitals, etc.). Jobs in this cluster are concentrated in Jerauld and Hutchinson Counties, which both have well-staffed medical facilities.

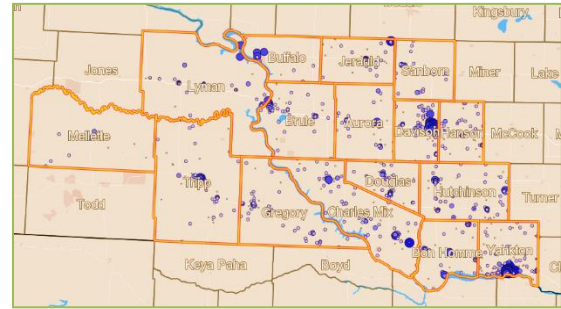
Tourism

Visitor-related industries employ over 2,000 people in the Arts, Entertainment, Recreation & Visitor Industries cluster in the District III region. Some workers are employed in the tourism sectors by virtue of their location along a well-traveled highway or interstate (such as in Davison, Aurora, and Brule Counties). Other counties have capitalized on their location near a natural resources such as places for water recreation and hunting & fishing (Yankton, Douglas, Gregory, and Jerauld Counties for example). Finally, there is a concentration in the tourism industries due to the proliferation of Tribal gaming and facilities. Buffalo, Lyman, and Mellette Counties have higher concentrations of employment in the tourism industries.

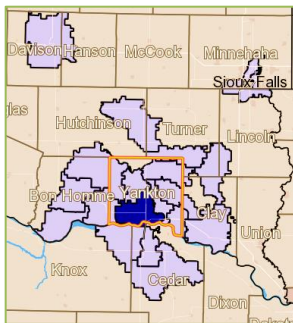
Commuting Patterns

There are four major job centers in the District III region. They are centered on Yankton in Yankton County, Mitchell in Davison County, Chamberlain in Brule County, and Winner in Tripp County.

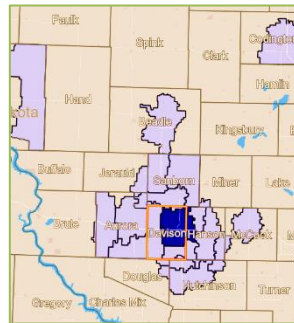
Analyzing each job center’s commuting patterns, it is evident that each center has a far reaching labor shed. The following images illustrate the laborsheds for the four job centers in the District III region. The laborsheds are delineated by the top ten zip codes where workers live who work in the respective job center. The zip codes with darker shades of blue indicate more workers who live within that zip code.



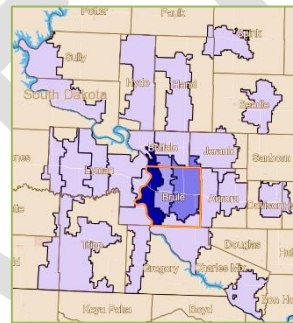
Regional Job Centers



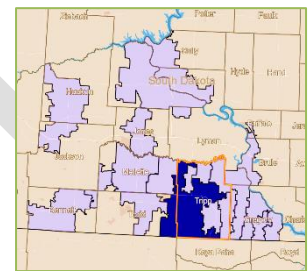
Yankton Laborshed



Davison Laborshed



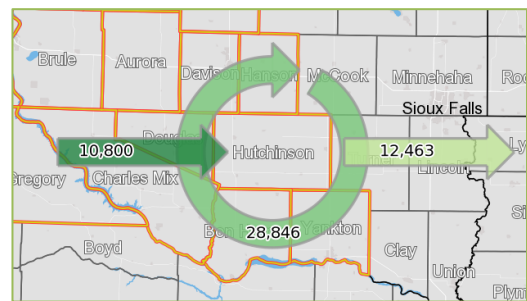
Brule Laborshed



Tripp Laborshed

Each job center draws from a wide radius for employees. Yankton and Davison Counties have a more tight pattern, while Brule and Tripp Counties have a more scattered pattern of zip codes that it draws from. It is interesting to note that Tripp County draws its employees from a wider geographic region than urban centers like Minneapolis, MN.

When these images are combined, nearly the entire District III region is drawn to the four employment centers. In fact, most of the region is self-contained in terms of home-work connections. The region attracts 10,800 workers who live outside the region to work, while 12,463 workers who live in the region go outside the region for employment. 28,846 workers both work and reside in the District III region.



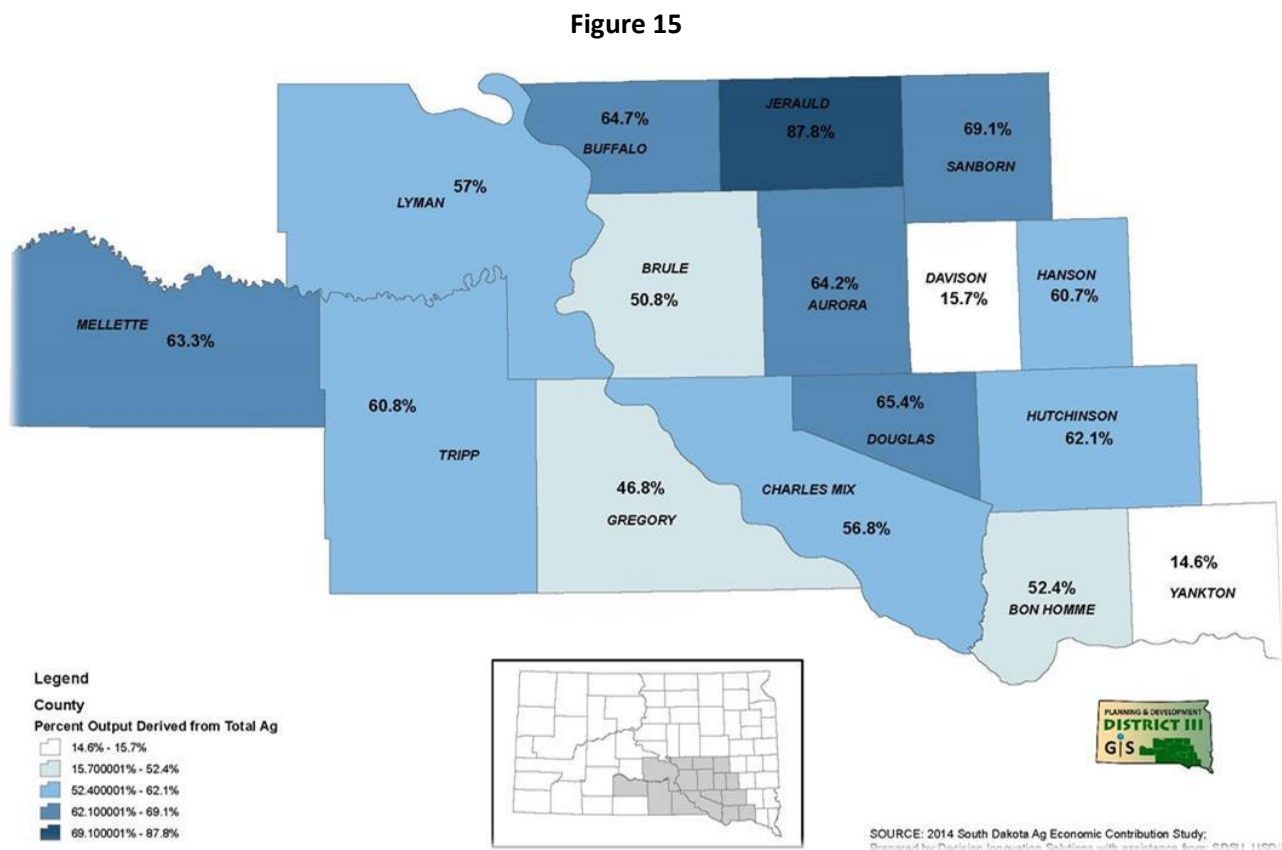
Regional Inflow-Outflow of Jobs

Economic Relationships

The major economic relationship impacting the region is the connections of production agriculture to the state, national and global markets. The area’s dependence upon agricultural commodities is both a strength and weakness. The strength is the area’s ability to produce both crops and livestock. The

weakness is the cyclic nature of prices and the weather, which dramatically change incomes and local economic activity.

Figure 15 shows the percentage of overall economic output attributed to agriculture.



The majority of counties (9 of 16) derive at least 60 percent of their economic activity from crops or livestock.

Farming continues to undergo changes in technology and scale of operations. Tables 15 and 16 show a trend toward fewer and larger farms. Certain counties have experienced growth in the number of farms, and the explanation would include land distributions associated with estates and the presence of smaller acreage operations, such as hobby farms.

Table 15
Number of Farms

	2002	2007	2012	% Change 2002-2012
Aurora	401	379	442	10.2%
Bon Homme	665	563	671	0.9%
Brule	365	370	407	11.5%
Buffalo	73	86	78	6.8%
Charles Mix	755	693	597	-20.9%
Davison	481	406	427	-11.2%

	2002	2007	2012	% Change 2002-2012
Douglas	394	363	434	10.2%
Gregory	587	511	505	-14.0%
Hanson	319	308	370	16.0%
Hutchinson	768	723	802	4.4%
Jerauld	272	239	223	-18.0%
Lyman	420	443	430	2.4%
Mellette	200	216	229	14.5%
Sanborn	394	354	402	2.0%
Tripp	666	624	629	-5.6%
Yankton	690	658	692	0.3%
South Dakota	31,736	31,169	31,989	0.8%
District III	7,450	6,936	7,338	-1.5%

Source: USDA NASS Census of Agriculture 2002, 2007, 2012

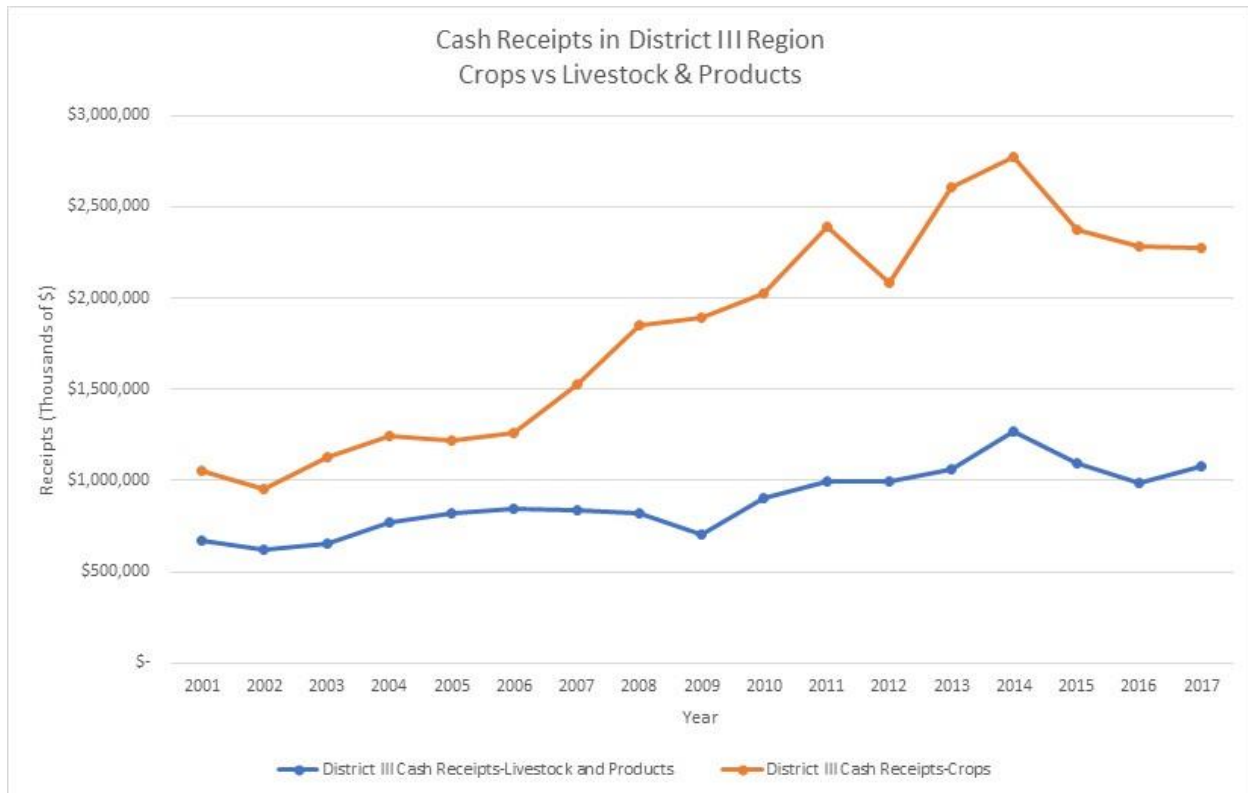
Table 16
Average Size of Farm

	2002	2007	2012	% Change 2002-2012
Aurora	875	962	1,000	14.3%
Bon Homme	518	548	524	1.2%
Brule	1,225	1,401	1,263	3.1%
Buffalo	3,903	6,629	3,797	-2.7%
Charles Mix	975	953	912	-6.5%
Davison	579	688	645	11.4%
Douglas	601	620	622	3.5%
Gregory	1,109	1,281	1,257	13.3%
Hanson	780	711	741	-5.0%
Hutchinson	658	705	640	-2.7%
Jerauld	1,237	1,375	1,428	15.4%
Lyman	2,108	2,204	2,392	13.5%
Mellette	3,302	3,379	3,051	-7.6%
Sanborn	965	899	896	-7.2%
Tripp	1,582	1,626	1,620	2.4%
Yankton	496	490	474	-4.4%
South Dakota	1,380	1,401	1,352	-2.0%
District III	1,307	1,529	1,329	1.7%

Source: USDA NASS Census of Agriculture 2002, 2007, 2012

The changing trends in agricultural income is illustrated in Figure 16.

Figure 16



The region's farm income has an immediate and substantial impact on rural "main streets". Global markets, weather conditions and government policies all influence agricultural economics.

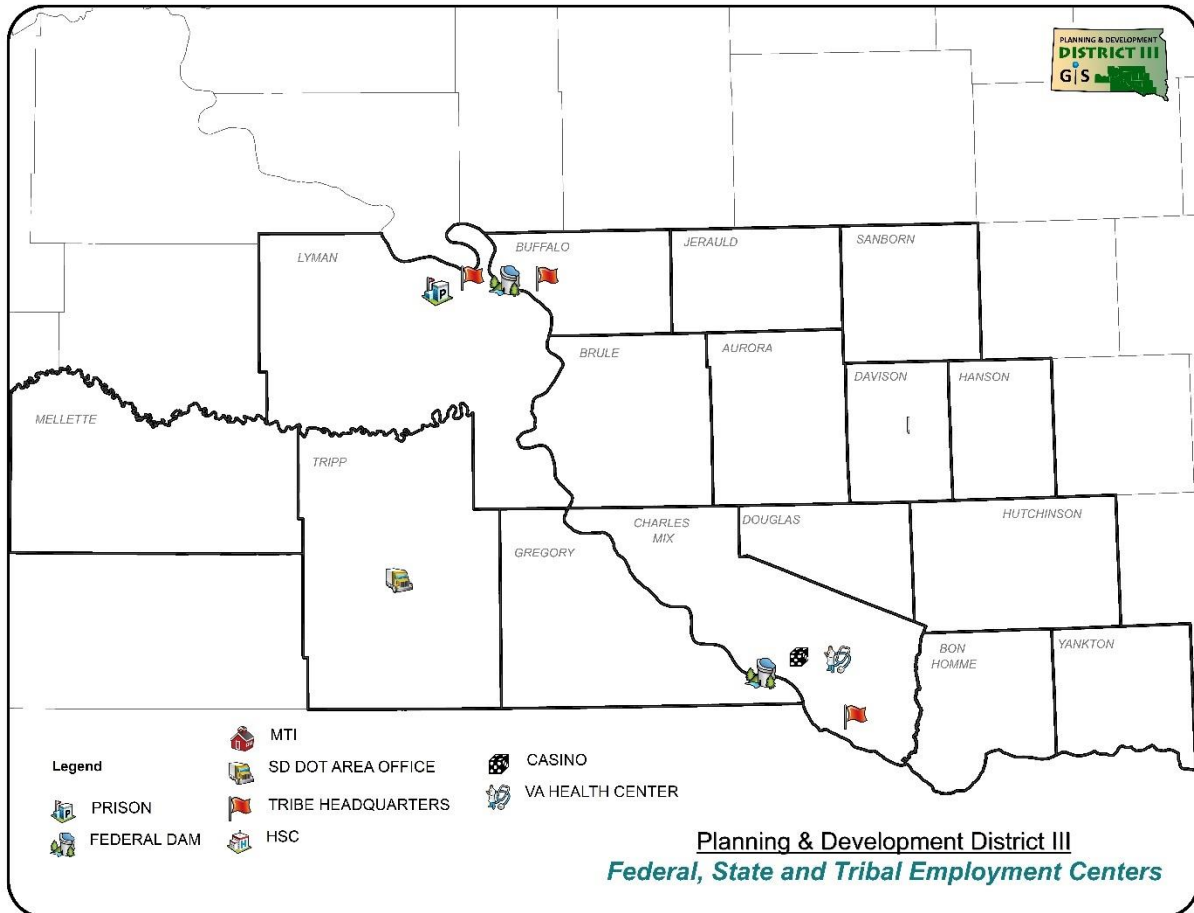
Another regional economic activity that has relationships to "outside" factors is tourism. An advantage of tourism is a minimal investment in infrastructure. The area's natural environment and cultural attributes generate interest without being modified or enhanced. The Missouri River, ethnic celebrations, and Native American culture bring national and international attention. Marketing information and amenities that encourage visitors to stay in the region for several days at a time and critical elements in maximizing economic benefits.

The "downside" to tourism is its seasonal nature and the corresponding lower incomes of part-time or temporary employees. Tourism offers business opportunities for entrepreneurs and it exposes visitors to the benefits of living and working in the region. The potential for tourism to expand is dependent, in part, on the area's ability to develop four season destinations, quality amenities and unique visitor experiences.

The region's manufacturing sector has global customers in: aeronautics, computer components, machinery, telecommunications and food processing. National and international market factors influence employment, facility investment and the prospects for allied industries, such as transportation (i.e. shipping). The region's success in supporting its manufacturing sector involves enhancing infrastructure, workforce training, and housing opportunities. Competition for these quality jobs is fierce and the public cost to retain and/or attract businesses may be significant. Likewise, the loss of a primary employer is a challenge that will be costly.

Another sector that has relationships well beyond the region’s borders is government. The area has a number of entities or facilities that employ large numbers of people (Figure 17).

Figure 17



Government based activities are subject to changing policies, but they typically represent stability and long-term capital investment.

The dam system is a federal responsibility, under the U.S. Army Corps of Engineers. The area also contains a federal prison camp (Yankton) and a fish hatchery (Yankton). Large state facilities include the Human Services Center in Yankton, a prison in Springfield, and the Mitchell Technical Institute.

Economic Factors

There are several factors that will influence economic performance within the region. Although opinions may differ on its degree of importance, the topic of “workforce” is a primary concern.

Many area counties have unemployment rates that fall within two-tenths of a percentage from the state average. Additional data on employment may be found through the Labor Market Information Center (<http://dlr.sd.gov/lmic/default.aspx>).

Labor supply can be defined as the number of persons who would be available to staff a new or expanding business in an area. Labor supply can be categorized into two groups; those who currently hold jobs (and would like to change) and those who, for a variety of reasons, do not have jobs. It includes workers who live in the area and workers who would commute into the area to work. Labor supply data is developed by the South Dakota Department of Labor and Regulation.

The workforce challenges may be summarized in three statements:

- people appear willing to change jobs if the right position becomes available;
- lower unemployment numbers may present a perceptual problem for companies seeking to expand or locate within the region; and
- a smaller labor pool does not necessarily result in higher pay.

The situation has not changed appreciably since District III co-hosted a workforce summit event in 2011. The summit underscored the need for immediate action on improving workforce skills and employee numbers. Manufacturing businesses expressed their concerns over a lack of employees in specific trades such as welding and machining. The state’s response included the allocation of financial resources for out of state employee recruitment and local job training. Both Mitchell Technical Institute (MTI) and the Regional Technical Education Center (RTEC) in Yankton took advantage of the new training assistance by expanding their welding class offerings.

Workforce projections for the region may change, depending upon national economic conditions, unique regional development opportunities or other factors beyond anyone’s control.

The South Dakota Department of Labor and Regulation’s Market Information Center has projections for both growing industries and high demand occupations. The estimates considered a 10-year period between 2014 and 2024. Tables 17-19 contain information on the top ten fastest growing industries and occupations as well as the slowest growing and declining industries.

Table 17
South Dakota Top 10 Fastest Growing Industries

Industry	2014 Employment	2024 Employment	Employment Growth	Percent Growth
Total, All Industries	478,387	510,501	32,114	6.71%
Warehousing and Storage	792	972	180	22.7%
Merchant Wholesalers, Durable Goods	9,211	10,686	1,475	16.0%
Social Assistance	9,114	10,368	1,254	13.8%
Professional, Scientific, and Technical Services	12,384	14,023	1,639	13.2%
Machinery Manufacturing	6,851	7,703	852	12.4%
Sporting Goods, Hobby, Book, and Music Stores	2,288	2,563	275	12.0%
Waste Management and Remediation Services	807	900	93	11.5%
Support Activities for Transportation	857	954	97	11.3%
Hospitals	25,013	27,811	2,798	11.2%
Ambulatory Health Care Services	15,359	17,065	1,706	11.1%

Source: South Dakota Department of Labor & Regulation, SD Labor Market Information Center, SD Labor Market Report 2016

Table 18
South Dakota Top 10 Fastest Growing Occupations

Industry	2014 Employment	2024 Employment	Employment Growth	Percent Growth
Computer-Controlled Machine Tool Operators, Metal and Plastic	352	480	128	36.4%
Industrial Machinery Mechanics	1,044	1,338	294	28.2%
Nurse Practitioners	426	526	103	24.4%
Web Developers	309	383	74	24.0%
Machinists	905	1,114	209	23.1%
Physical Therapist Assistants	233	284	51	21.9%
Brickmasons and Blockmasons	361	436	75	20.8%
Cooks, Restaurant	1,864	2,240	376	20.2%
Market Research Analysts and Marketing Specialists	576	692	116	20.1%
Farm Equipment Mechanics and Service Technicians	1,119	1,339	220	19.7%

Source: South Dakota Department of Labor & Regulation, SD Labor Market Information Center, SD Labor Market Report 2016

Table 19
South Dakota's Declining and Slowest Growing Industries

Industry	2014 Employment	2024 Employment	Employment Growth	Percent Growth
Publishing Industries (excluding Internet)	1,457	1,332	-125	8.6%
Air Transportation	246	241	-5	-2.0%
Textile Product Mills	395	388	-7	-1.8%
Miscellaneous Store Retailers	2,790	2,690	-30	-1.1%
Broadcasting (excluding Internet)	1,069	1,061	-8	-0.7%
Paper Manufacturing	757	760	3	0.4%
Total Federal Government Employment	11,109	11,179	70	0.6%
Religious, Grantmaking, Civic, Professional and Similar Organizations	8,824	8,920	96	1.1%
Utilities	1,967	1,994	27	1.4%
Agriculture, Forestry, Fishing and Hunting	33,809	34,512	703	2.1%
Telecommunications	2,800	2,790	-10	-0.4%

Source: South Dakota Department of Labor & Regulation, SD Labor Market Information Center, SD Labor Market Report 2016

Statewide growth occupations (based upon percentage increases 2014-2024) are expected to include:

- industrial machinery operators and mechanics
- nurse practitioners
- web developers
- machinists
- physical therapy assistants
- brickmasons and blockmasons
- market research analysts and marketing specialists
- farm equipment mechanics and service technicians

A large number of higher growth occupations involved machinery both for operation and service/maintenance. The region's strong roots in manufacturing and the positive growth of programs available to area students via MTI and RTEC should facilitate growth in this field.

Slower growing or declining industries, from a statewide perspective, include:

- air transportation
- textile product mills
- store retailers
- broadcasting
- telecommunications
- agriculture, forestry, fishing and hunting

Telecommunications and agriculture are well represented within the region. Declining employment may be related to more automation or the consolidation of operations.

A combination of career counseling, continuing education, and local training opportunities may have immediate impacts. Any significant employment opportunities will probably require an influx of workers.

Table 20
District III Labor Supply May 2018

Aurora	140
Bon Homme	210
Brule	270
Buffalo	210
Charles Mix	385
Davison	1,080
Douglas	150
Gregory	205
Hanson	190
Hutchinson	280
Jerauld	160
Lyman	210
Mellette	145
Sanborn	110
Tripp	235
Yankton	1,165
District III	5,145
South Dakota	45,880

Source: Labor Market Information Center, South Dakota Department of Labor and Regulation, South Dakota e-Labor Bulletin

Table 21
2017 Worker Information—Compensation

	Estab	Workers	Annual Pay	Payroll
Aurora	103	920	\$33,644	\$30,952,480
Bon Homme	209	1,729	\$37,076	\$64,104,404
Brule	269	1,916	\$33,800	\$64,760,800
Buffalo	30	518	\$40,352	\$20,902,336
Charles Mix	346	3,401	\$35,360	\$120,259,360
Davison	821	12,115	\$40,664	\$492,644,360
Douglas	126	1,072	\$37,908	\$40,637,376
Gregory	235	1,563	\$33,280	\$52,016,640
Hanson	95	619	\$40,404	\$25,010,076
Hutchinson	272	2,595	\$39,052	\$101,339,940
Jerauld	109	1,555	\$35,360	\$54,984,800
Lyman	125	1,409	\$31,252	\$44,034,068

	Estab	Workers	Annual Pay	Payroll
Mellette	48	336	\$26,728	\$8,980,608
Sanborn	77	543	\$33,904	\$18,409,872
Tripp	260	2,229	\$34,320	\$76,499,280
Yankton	839	12,674	\$44,460	\$563,486,040
District III	3,964	45,194	\$36,098	\$1,779,022,440
South Dakota	32,998	424,728	\$44,512	\$18,905,492,736

Source: Produced by the SD Dept of Labor and Regulation, LMIC, in cooperation with the Bureau of Labor Statistics

Table 21 does not include farm operators. The information includes average annual pay and the payrolls of those employers covered by the unemployment programs.

Another factor that will influence the region is land use regulations. Regulating the use of private property has always been a controversial issue. Until the mid 1990's, only a handful of the region's counties had zoning controls. In 2018, the region still contained five counties without zoning ordinances. Counties with land use regulations have to continually evaluate the scope and nature of their ordinances. Current "hot button" issues include:

1. Concentrated animal feeding operations (CAFOs);
2. Wind energy projects; and
3. Drainage practices.

The concerns associated with the issues range from health problems and pollution to view impairment and odor. Local governments need to rely upon third party information in weighing the arguments for and against particular undertakings.

State agencies, university research and peer experiences are relied upon in place of in-house expertise and consultants. There is little interest in delegating land use responsibilities to the state or some other authority. A "price" paid by counties dealing with strong emotional reactions to their decisions, is facing neighbors, friends, and possibly business customers.

State and local efforts to introduce more objectivity and information to the project siting process have been received with mixed reviews. The District assisted the South Dakota Department of Agriculture with a "Rural Site Analysis." This multi-year research activity evaluated thousands of land parcels in relation to their suitability for certain types of more intensive development. The selection criteria were subjective, but the process pointed out qualities that in theory, would make sites "good, better, or best" for development. Hundreds of potential sites were identified, but the data remains underutilized. The analysis attempted to protect landowner identities, while establishing a system for connecting project sponsors with viable parcels. The connection element has not been fully implemented. Counties lack the personnel to engage in this type of development undertaking. New communication methods may be able to take advantage of the site data and associated information. "Drilling down" on site factors, along with recognizing the concerns of neighbors, could help development proponents head off siting objections.

A development factor that is difficult for communities to determine is the exact makeup of their overall approach. The issues range from personnel, organizational relations, and fundraising to capital expenditures, marketing, and long-range planning. The following questions are commonly asked.

- ★ Do we need a staff person?
- ★ Where will funding come from?
- ★ Who makes decisions?
- ★ How do we decide upon projects and property investments?

Larger communities have longstanding corporate structures that address economic development situations in a “traditional” manner (staff, annual budget, capital campaigns, etc.). Smaller towns struggle with finding the resources and legitimate work activities to undertake meaningful development efforts.

State officials have embraced regional approaches as being the preferred vehicle for community action. District III’s 45-year history is an example of regional cooperative success. Practicing regional cooperation requires an attitude that accepts sharing information, resources and time. Local priorities may conflict, and patience is not viewed as a virtue when problems or opportunities arise.

Building local development planning capacity is a strategy that should pay dividends. Forming organizational alliances that contribute meaningful funding for development marketing, technical assistance and prospect hosting will take time. The “Dakota Heartland” development organization is allied with the Mitchell Area Development Association. The entity serves several communities in a six county area around Mitchell. Its services provide an example that may lead other communities to attempt a similar arrangement.

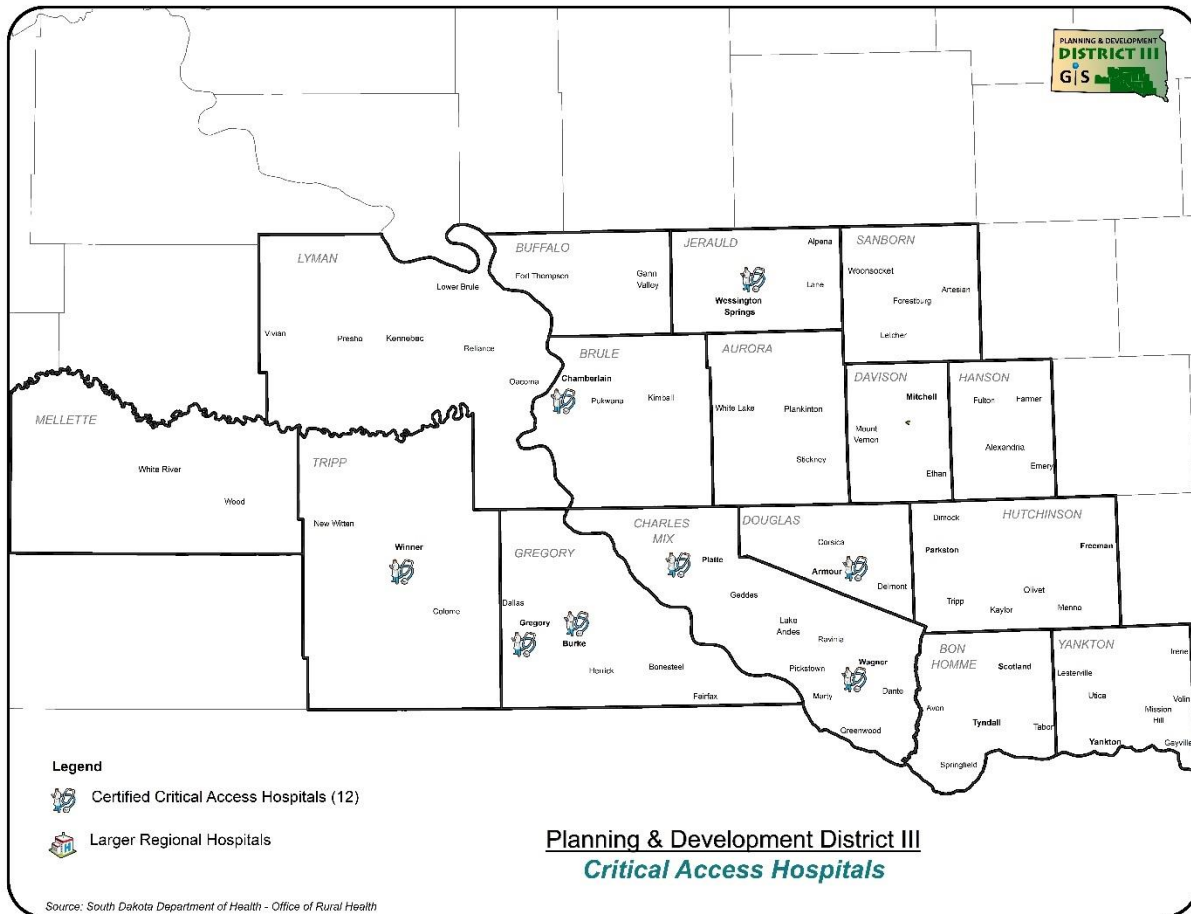
Other Factors

The region’s quality of life (QOL) is a significant factor in maintaining a workforce and attracting businesses. QOL issues include, but are not limited to:

- ✓ Healthcare;
- ✓ Housing;
- ✓ Recreation;
- ✓ Social networking; and
- ✓ Community environment.

The region’s access to healthcare services is centered around two major health systems. The majority of citizens live within a 30-minute drive of a “Critical Access Hospital” or a regional medical center (Figure 18).

Figure 18



Health services are a significant consideration for retirees and persons with families. A growing shortage of Certified Nursing Assistants (CNAs) is causing concern among providers. Alternative employees, such as high school and college students are being used to supplement the CNA labor pool.

The region's housing situation was previously reviewed. The issue is an element in both economic and community development discussions. In addition to cost and availability, the condition and appearance of housing reflects on the "livability" of communities. Efforts have been made to systematically demolish dilapidated housing stock. This initiative is expected to continue.

Recreation amenities are becoming an assumed feature of modern life. Hard surfaced trails, pools, lighted sport fields and well-equipped playgrounds and parks are at the point of being critical infrastructure. It is a challenge to develop and maintain quality facilities for all but the larger communities. Funding gaps are often addressed through donations or the occasional grant award.

The term recreation could be expanded to include cultural events, art displays and organized athletic competitions. Regional athletic contests reached new heights with Yankton hosting world archery tournaments. The community contains world class indoor and outdoor archery facilities, which may enable it to seek Olympic training center status. This type of athletic event exposure brings both



Zion Lutheran Church, Delmont (2015 photo from KDLT website)

economic and cultural opportunities. The opportunity to meet persons from across the globe is rare in rural areas. The benefits of these exchanges will become more evident in time.

Social networking of another kind is also a QOL factor. Broadband internet and the features that go with it are becoming essential. Other communication venues of a more personal nature help bind communities together. There is a line of thought that says younger generations are not “joiners” in terms of service organizations or clubs. However, there appears to be an interest in community service and volunteering for the right cause or benefit.

Rural communities have traditions around helping neighbors and pitching in during troubled times. Although disaster situations create stress and hardships, they also build community relationships and pride. The region has recent experience with exactly those circumstances with tornado damage

in Delmont and Wessington Springs. The social fabric of these towns was strengthened by the cooperative spirit and resilience of their residents.

The environment of a community extends beyond physical conditions. Towns often acquire a reputation or even an aura that contributes to success. It would be unfair to identify individual communities in this document, but the existence of an attitude or propensity for accomplishment is a genuine factor in motivating people and completing challenging tasks. In other words, some places have “it” and others do not. The region is fortunate to contain a large number of communities that have proven track records and a demonstrated commitment to remain relevant. The natural order of things too often is deterioration, apathy, and acquiescence. Giving up is easy. Staying even and moving forward is harder. It is the willingness to engage and act that separates places. Those communities that do not accept the status quo will be around to witness the future.



2014 Wessington Springs Tornado Damage (Photo from SDPB website)

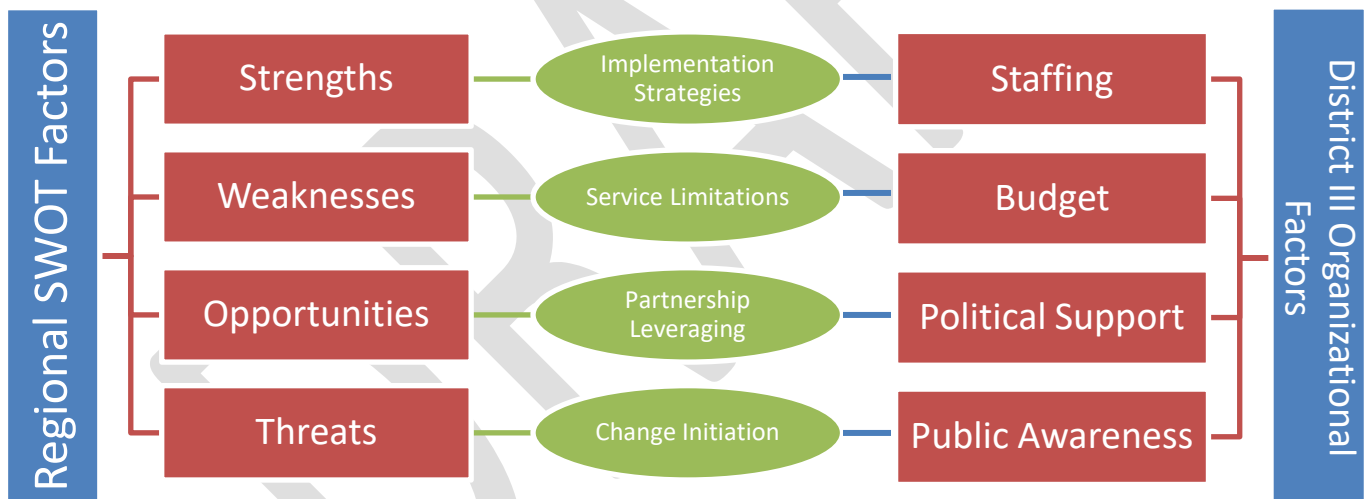
Section II

SWOT Analysis

Analytical Context

District III will review its strengths, weaknesses, opportunities and threats (SWOT) in two ways. First the region as a whole will be considered, since the CEDS encompasses the overall development conditions of 16 counties. However, as emphasized throughout this document, District III can only act upon things within its organizational scope and authority. Thus, the CEDS should not be viewed as a more than an advisory process, outside of District III itself. The second level of SWOT analysis will focus on District III as an organization and “agent” of its member entities. Its ability to respond to SWOT factors is important, since District III is the only entity with direct CEDS related responsibilities. Figure 19 illustrates how the region’s characteristics and District III’s organizational qualities intersect to influence the SWOT analysis.

Figure 19
Regional Responses



The illustration shows that the region’s SWOT categories mirror the four main issues associated with an analysis of District III. These factors will influence how the region responds to particular situations. The SWOT review will take these facts into consideration.

The SWOT analysis will include the extremes of each factor. Probable “best case” (BC) and “worst case” situations will be noted as examples of how the issues could eventually impact the region.

The following elements will be part of each SWOT topic.

1. Regional Factors
2. Organizational Factors
3. Best Case/Worst Case

This format will provide a comprehensive picture, along with a practical perspective on outcomes.

Strengths

Regional Factors

The region has a number of strengths that should promote or contribute to future economic prosperity.

- ✓ Physical Environment
 - Missouri River water access
 - Agricultural land productivity
 - Scenic views and landscapes
 - Favorable construction conditions

The natural resource assets are centered around the ability of the region to produce agricultural commodities, attract visitors and appeal to potential residents.

- ✓ Education Systems and Training Initiative
 - Mitchell Technical Institute
 - Regional Technical Education Center
 - Career and Technical Education Program
 - Regional Workforce Coordination

The needs of the region's employers are being recognized, along with the aspirations of students. The "sweet spot" is bringing both groups together.

- ✓ Infrastructure Potential
 - Utility capacities
 - Transportation networks
 - Alternative energy production
 - Natural Gas Availability
 - Telecommunications

The region's overall development related infrastructure is in the process of being upgraded, across a wide spectrum of issues. The improvements involve publicly financed prospects, along with private sector investment. The reasons for the activity may vary, but the result is enhanced capacity for business and residential growth.

- ✓ Cultural Diversity
 - Native American engagement
 - Immigrant workers
 - Mutual respect and support efforts
 - Public awareness
 - Community assimilation

The region is recognizing the value of minorities in growing the workforce and addressing a number of social problems. Rural areas are evolving and minority populations may hold the key to their survival.

- ✓ Economic Foundation

- Entrepreneurial support
- Financial alternatives
- Success examples
- Public/private partnerships
- Tangible quality of life

“Pieces” are in place to attract, foster and grow development. Appreciating this situation is dependent upon communication techniques and getting the message to the right audience.

Organizational Factors

- ✓ Staff expertise and experience
 - Diverse skill sets
 - Demonstrated accomplishments
 - Professional relationships
 - Institutional memory

District III has the ability to assist its membership and all regional sectors without needing substantial support from outside experts.

Best Case

The region’s strengths will overshadow any development shortcomings and thus lead to more activity than would otherwise be expected.

Worst Case

The region’s strengths continue to be recognizable assets, but there will be no appreciable change in the pace or level of development activity.

Weaknesses

Regional Factors

The areas weaknesses include chronic problems that are difficult to address, conditions that exist and must be accommodated plus deficiencies that may be overcome with additional effort. Regardless of their nature, a first step in addressing weaknesses is recognizing their existence.

- ✓ Demographic profile
 - Dependent populations (old and young)
 - Outmigration
 - Workforce characteristics

- ✓ Dependence on commodity production
 - Agricultural dominance
 - Ag income vulnerabilities
 - Value added challenges

Agriculture is the region’s primary economic driver. It is subject to a wide range of influences, ranging from government policies to the weather. It is not a “boom and bust” cycle, but a fragile economy that can change in a short time.

- ✓ Climate and weather extremes
 - Periodic natural disasters
 - Relatively short construction season
 - Cost of business perceptions

Climate and weather impacts are genuine concerns. It is the perceptions of the cold winters and challenging driving conditions that are hardest to overcome. Natural disasters occur on a regular basis, but their impacts are usually short in duration or isolated to a relatively small geographic area.

- ✓ Distance and geography
 - Isolation from markets
 - Cost of extending services
 - Time as a cost factor
 - Perceived characteristics associated with “rural” areas

Communication technology and transportation networks have made distance less of an issue, but there is no denying that the images of rural locations often have negative implications. The inferences could be cultural or economic in nature.

- ✓ Industry support shortcomings
 - Workforce recruitment challenges
 - Certified ready site obstacles
 - Infrastructure capacity deficiencies
 - Site and structure limitations

Manufacturing, assembly and processing businesses are often inhibited from locating or expanding because their labor needs and timing demands are not compatible with the region’s capabilities.

Organizational Factors

- ✓ Communication and messaging
 - Service marketing challenges
 - Maintaining professional relationships
 - Managing assistance expectations

District III has always struggled with the challenge of keeping its membership informed and engaged. Elected official turnover, staff workloads and competitive publicity contribute to communication problems.

Best Case

The region’s weaknesses may be mitigated, to various degrees, with the investment of resources and ingenuity. Genuine progress on chronic problems will be incremental and must be sustained over time.

Worst Case

The weaknesses are amplified and further entrenched in the region's character as the result of apathy or lack of effort.

Opportunities

Regional Factors

Opportunities are subjective in their perceived value and often associated with a specific time "window". The region's opportunities are anticipated to be applicable over the next five years. Changing conditions will result in new opportunities or revisions in existing advantages.

✓ Transportation and utility oriented development

- Short line railroad upgrades
- Shipping and storage facilities
- Natural gas pipeline expansion
- Wind farm projects

The region has natural features or regulatory advantages that lend themselves to transportation and alternative energy facilities. Private suppliers may be choosing to bring natural gas to additional municipal customers, which could influence development decisions. Few large scale transportation or utility undertakings are without criticism or some form of public opposition. Local governments have, for the most part, viewed these development proposals as opportunities to build economic enhancements and the tax base.

✓ Natural resource based tourism

- Missouri River system
- Trail networks
- Agricultural themes
- Wildlife

The region's features include a river oriented national park, outstanding camping and visitor amenities and abundant wildlife related activities. Most attractions have "room" for additional development.

✓ Healthcare services

- Regional hospitals
- Health system networks
- Home health and nursing homes
- Career support

The region's population characteristics and overall density provide advantages for health related careers. The sector is one of the highest paying industries and the availability of healthcare facilities and specialty services enhance the area's quality of life.

✓ Value added agriculture

- Commodity processing and shipping

- Livestock finishing
- Alternative crops

Agriculture is the foundation of the region’s economy. Finding ways to diversify ag products or mitigating some of the risk associated with raising crops will stabilize incomes and raise the fortunes of rural communities. The options being considered range from fish raising to food processing. As with energy proposals, agricultural undertakings may involve opposition when going through public regulatory processes.

- ✓ Housing strategies
 - Governor’s House
 - Clean-up and In-fill
 - Life State Alternatives
 - Workforce Support

Although affordability is always an issue, availability is a larger housing challenge for many areas. Smaller communities are learning to use housing units as a development approach. Larger places are putting a premium on housing to attract and retain employees.

Organizational Factors

- ✓ Issue expertise and engagement
- ✓ Planning techniques
- ✓ Hard use suitability

District III must maintain or enhance its professional “tools” in order to support economic and housing endeavors. The applicable resources include program knowledge, financing techniques and planning practices. The association’s Geographic Information System (GIS) services also apply to these issues.

Best Case

In order to fully take advantage of opportunities the region needs to take deliberate and sustained action. The initiatives must also be locally driven and involve public and private sector participation.

Worst Case

An absence of locally organized projects, along with a reliance on “outside” interests could result in changes that are not compatible or accepted by area residents.

Threats

Regional Factors

Threats may constitute a clearly defined real and present danger to the region’s economy or well-being. They are more often a situation or chain of events that aggravate an existing problem or present an unanticipated “twist” in dealing with development challenges. Threats may come from “outside” forces or evolve from known area causes.

- ✓ Agricultural Income Declines
 - Government policies

- Market fluctuations
- Weather conditions
- Land use policies

The forces that influence farm and range income include global markets and growing conditions. The region's ability to anticipate changes and mitigate their impacts will play a key role in rural community survival.

✓ Apathy

- Acceptance of chronic conditions
- Resignation to inaction
- Reluctance to change
- Indifference to opportunities

Apathy is a condition that occurs without any deliberate actions. If communities choose not to act, it becomes the normal state of affairs. The region needs to guard against accepting things as they are, without at least considering development options.

✓ Infrastructure Inertia

- Deferred maintenance
- Investment reluctance
- Capacity limitations
- Certified ready weakness

The region cannot compete for prospects or general economic development growth without access to adequate infrastructure. Building capacity without a "bird in hand" is a risky proposition with financing entities and the voting public. A lack of "shovel ready" plans or existing facilities essentially prevents communities from seeking competitive business opportunities. Most places cannot have a "build it and they will come" philosophy, but asking developers for time to get ready is also ineffective. The region has a limited number of "certified ready" sites that have met current state standards. Reaching that status is an expensive effort that smaller communities find challenging.

✓ Migration Mitigation

- Slowing out-migration
- Encouraging in-migration
- Absorbing a changing workforce
- Designing multi-county strategies

Migration involves workforce, social safety nets, education and other issues associated with demographic changes. The region needs to slow the loss of people, while actively recruiting new residents. The odds are high that a growing percentage of migrants will be racially and/or culturally different than the majority population. The threat is not the "face" of change, but the assimilation of people into rural community life.

✓ Social Psychosis

- Deterioration of a common community "compass"

- Personally destructive behaviors
- Manifestation of hyperbolic civil discourse

Rural society is not immune from negative cultural trends or damaging behaviors. Drug abuse, the worsening of conversation and loss of community “connectedness” are among the issues that impede progress and shake social foundations.

Organizational Factors

- ✓ Loss of Institutional Memory
- ✓ Service Shrinkage
- ✓ Leadership Detachment
- ✓ Financial Shortfalls

Retirements are expected to impact the executive director and financial officer positions within seven years. Other staff may be leaving as well. Succession planning will be critical in avoiding a loss of expertise and office services. The District III Committee will continue to be challenged in finding leaders that have the time and regional perspective to oversee the association. Finally, contract income will be important to maintaining the revenues necessary to maintain services. Contracts will require District III to continually evaluate and enhance its professional and technical capabilities.

Best Case

The identified threats will either fail to materialize or the impacts will fall short of their damage potential. The region cannot expect to escape the problems that have repeatedly surfaced over its 45-year history. Managing changes will depend upon when they occur and how long they last.

Worst Case

The regional and District III organization will experience multiple threats that weaken development capacity and lengthen recovery times. The region has a level of resiliency, but its limits could be exceeded under the “wrong” conditions.

Survey Input

The aforementioned SWOT Analysis top tier issues were confirmed by a survey of area leaders. The survey was conducted in August 2018. The survey identified three strengths as being significant.

- ★ Natural Resources – 90.2%
- ★ Character of the Population – 80.5%
- ★ Community Spirit – 70.7%

These characteristics were rated much higher than the cost of doing business and affordable lifestyles.

Perceived regional weaknesses centered around human factors.

- ★ Aging Population – 65.8%
- ★ Labor Force Characteristics – 51.3%

Other weaknesses, such as the dependence on agriculture, geographic isolation and infrastructure limitations were also viewed as notable.

The expectations surrounding perceived regional opportunities put two issues at the top of the list.

- ★ Value Added Agriculture – 61%
- ★ Healthcare Facilities – 58.5%

The next highest rated topics were retirement housing and destination tourism.

Perceived regional threats had similar response segmentation; with two issues being recognized by the majority of respondents.

- ★ Loss of Population – 58.5%
- ★ Retail Sales Leakage – 58.5%

Business succession and a lack of investment in infrastructure were the next “tier” of concerns.

When asked to select five economic activities as offering the most potential for growth, the respondents identified:

Healthcare Services	73.2%
Agribusiness	70.7%
Renewable Energy	58.5%
Manufacturing	48.8%
Telecommunications	48.8%

These choices are consistent with the region’s cluster analysis and employment statistics.

The top five factors that are expected to influence the success of the region’s economic activities were led by:

Availability of Skilled Workers	73.2%
Infrastructure Capacities	56.1%
Job Training, Apprenticeships, and Mentoring Initiatives	53.7%
Access to Investment Capital	46.3%
Quantity and Quality of Housing	46.3%

The survey participants provided a perspective on common regional issues through their agreement or disagreement to several statements.

Statement	Percentage that Agreed or Strongly Agreed
1. Production agriculture alone cannot generate enough wealth to grow the region's economy.	90.3%
2. Value-added agriculture is the best "route" to economic diversification in rural areas.	87.8%
3. Identifying sites and approving specific types of concentrated animal feeding operations (CAFOs) in advance would help.	75%
4. Immigration from other countries is a realistic option to address workforce shortages.	56.1%
5. Our state's technical schools and universities are recognizing and responding to the workforce needs of employers	72.5%
6. Attracting residents through housing initiatives is a viable development strategy for small communities.	82.5%
7. Business succession is an issue that demands more attention by state and local development entities.	85.4%

The statements express the challenges the region will face in changing its economic future.

DRAFT

Section III

Strategic Direction/Action Plan

Vision Statement

District III has a 40-year tradition of supporting regional development, through effective services and partnerships. EDA’s CEDS guidance assumes that a strategic direction will be derived from common desires and aspirations. In reality, District III’s strategic focus is a reflection of evolving membership priorities. Again, as noted throughout this document, District III has no authority to impose any objectives or action plans on its members. The only direct control exercised by the association is over its own staff and technical resources.

For the purposes of this process a vision statement is defined as:

“What you want to become and ultimately achieve”

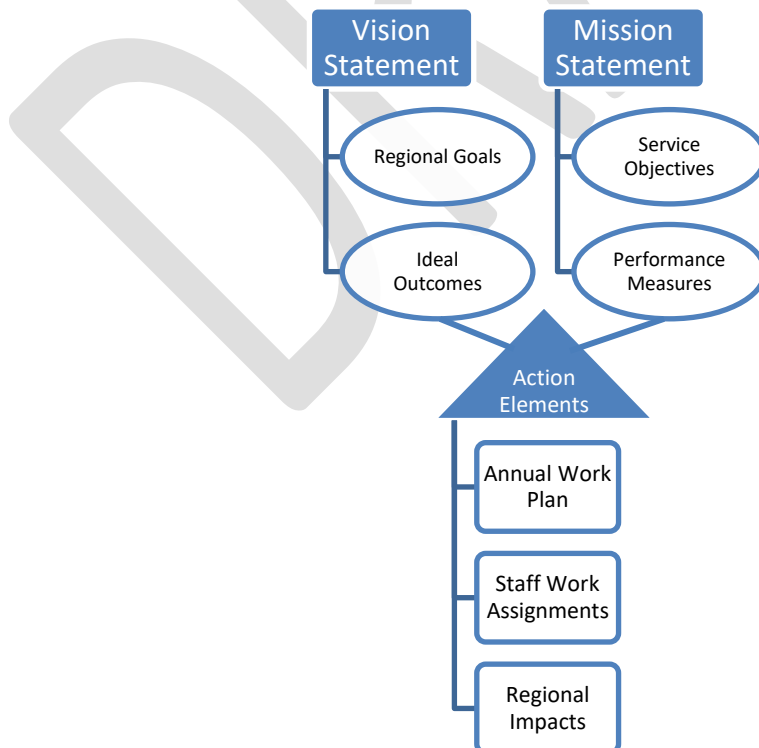
A mission statement is defined as:

“What you do and how it is accomplished”

These definitions will be expressed through two tracts. One will be essentially philosophical, while the second will be primarily pragmatic. Figure 20 illustrates how the vision and mission statement will ultimately produce an action plan.

Figure 20

Action Plan Development



The region's vision may be summarized in the following statement.

“The 16-county area seeks to expand economic opportunities by building development capacities, raising the standard of living and maintaining critical regional resources.”

Words that complement this statement include:

- ★ Sustainable;
- ★ Effective;
- ★ Beneficial; and
- ★ Inclusive

The language is based upon the annual goals that have guided the association's work plan for 35 years. Specifically, the first three sections of the plan identify the region's primary development issues (i.e. **what topics are important to the region**). District III's mission statement also echoes the association's historical work approach.

“The association will support its members with high quality, comprehensive and affordable development services.”

Words that would complement this statement include:

- ★ Efficient;
- ★ Responsive;
- ★ Professional; and
- ★ Continuous

The mission language also has its origins in the annual work plan. The last three sections outline the range of services offered by District III (i.e. **how the services are provided**).

Goals

As used in this document, a “goal” is an idealized result or consequence. Each goal will be explained in terms of its relationship to the SWOT Analysis and its impact on the region or District III organization. The goals will serve as the foundation for the implementation plan, and ultimately, the evaluation framework.

EDA guidance recommends that goals and objectives be ranked or “prioritized”. This practice does not contribute anything substantive to District III's CEDS, primarily because every goal is a priority. Its level of achievement will depend upon too many variables to accurately anticipate an outcome schedule or hierarchy. Rather, District III will address goals under these seven conditions or situations:

- ✓ Focused energies;
- ✓ Advantageous circumstances;
- ✓ Unique opportunities;
- ✓ Confluence of resources;

- ✓ Removal of barriers;
- ✓ Additional capacities; and/or
- ✓ Planning synergies.

Every goal requires a catalyst to initiate action. The “ignition” may involve one or more of the seven conditions. The key is not just identifying a goal but being ready to act when the circumstances are right. The art of knowing who to involve and how to proceed is part of District III’s core competencies and this ability to engage partners will play a role in achieving each goal.

The goals are numbered for ease of discussion, but again, their importance is assumed and the overall timeframe for implementation is the five (5) year CEDS planning period. Certain goals may never be fully realized, or their completion will exceed five (5) years.

Goal #1

Grow the agricultural economy through diversification and value added development initiatives.

Rationale: Agriculture is a pillar of the region’s economic strength. It is also a reason the area experiences wide economic cycles. The majority of District III counties are dependent upon farming and ranching. Thus, agriculture must be a top tier consideration in the future.

Goal #2

Capitalize on the advantages offered by the Missouri River.

Rationale: The “River” is the region’s most visible natural feature. It has the potential to attract development investment and its water quality and quantity are unique.

Goal #3

Strengthen core infrastructure, telecommunications and energy capacities.

Rationale: The region needs adequate water, sewer, drainage, transportation (including railroads), broadband and energy resources to maintain current economic activity and attract new investment. Doing nothing is going backwards.

Goal #4

Adjust to the 21st Century workforce.

Rationale: Today’s workforce may have different backgrounds, talents and interests than previous generations. Communities and employers need to recognize change and adapt to it.

Goal #5

Enhance the quality of life.

Rationale: Housing, healthcare, recreation and other lifestyle factors are part of the “fabric” that make communities viable places to live. It is impossible to separate quality of life issues from economic development strategies. In fact, for certain areas, quality of life (example: housing) enhancement is their development strategy.

Goal #6

Link education and training approaches to rural development outcomes.

Rationale: The quality of the region’s workforce is just as important as the number of available employees. Also, succession issues are facing a number of professions that are essential to maintaining community character.

Goal #7

Increase communication, collaboration and coordination opportunities.

Rationale: In a region with limited resources, wasted time and misinformation cost money and stifle initiative. District III is well positioned to improve the awareness and effectiveness of development efforts.

Top Tier Topics

The region’s goals are the general “umbrella” that covers all anticipated development efforts. In addition, District III has inherited “hot topics” that are expected to dominate its services and assistance programs for the CEDS five (5) year planning period.

The topics will be reflected in the action plan. The list may not contain all major issues, but it is an accurate summary of the “front burner” items within the region.

- ❖ Land Use Regulations
 - Wind farm ordinances
 - Concentrated animal feeding regulations
- ❖ Water and Sewer Upgrades
 - Water source improvements
 - Treatment plant capacities
- ❖ Access Roads and Bridges
 - Agribusiness
 - Industrial parks
- ❖ Watershed Management
 - Lake restoration
 - Drainage
- ❖ Workforce Development and K-12 Post-Secondary Education
 - Manufacturing
 - Certified nurse assistants
- ❖ Housing

- Affordable options
- Infill opportunities
- ❖ Energy
 - Natural gas
 - Wind development, solar and other alternative sources
- ❖ Comprehensive Planning
 - Countywide
 - Municipal
- ❖ Local Revenue Generation
 - Sales tax
 - Tax Increment Financing
- ❖ Compliance Processes
 - System Award Management
 - Federal Circulars

In the background of every issue is the relative health of the region's agricultural economy. Issues such as business recruitment and broadband are not highly visible at the present time because workforce capacities limit employer interest and the area has experienced improvements in cell phone and internet services.

Action Plan Implementation

The region's strategic focus over the next five years is expressed in the "Action Plan" table. The plan's content is based upon the previously stated goals and the District's ability to act in one of five capacities:

- ✓ Catalyst – Agent that helps initiate change via relevant facts, organizational actions, or professional services.
- ✓ Facilitator – Coordinator of processes, events, or activities that brings clarity to issues and develops partnerships of stakeholders.
- ✓ Communicator – Compiler and distributor of applicable information, expertise, or experiences that educates and informs leaders and the public.
- ✓ Participant – Investor via financial resources or staff time in activities that enhance development efforts in individual communities or the region as a whole.
- ✓ Supporter – Direct or indirect actor that adds value to initiatives, programs, or methods.

Each role assumes that the only persons subject to the District's management decisions are the association's employees. In other words, the District cannot direct or otherwise control the actions of its membership. Any hint of regional governance or loss of local control would result in the association being dissolved. EDA should not expect the region's governmental bodies to subordinate their individual interests in favor of a "greater regional good."

Local political reality sets in quickly when voters believe they are paying for someone else's benefits. The advantage of District membership is the enhanced value of shared services and information. Mutual support does not mean loss of local control. This expanded dialog on the District's relationship to its

membership is intended to reinforce the fact that the CEDS is only an advisory process, with the exception of the District itself.

The following work activities reflect the association’s priorities and abilities. It is not intended to be a catalog of projects that will be undertaken by entities within the region. Specific projects may well occur, but not because they are listed in this document. The table contains eight (8) columns that are defined below:

- Objective/Task – The implementation actions within the goal heading
- Lead Entities – Primary participants
- Expected Results – Outcomes or changes
- Performance Measures/Evaluation Indicators – Substantive data or factors that may be analyzed
- Funding Sources – Programs or financing alternatives
- Time Frame – Implementation period
- Jobs Created – Number and/or types of employment
- District Role – One of the five assistance capacities

As noted previously, all of the activities are considered to be high priorities. Assigning a numerical value has no benefit, since too many variables may affect the objectives.

CEDS ACTION/IMPLEMENTATION PLAN

CEDS Goal 1: Grow the agricultural economy.

Objective or Task to be Implemented	Lead Entity(ies)	Expected Results	Performance Measures and Evaluation Indicators	Funding Sources	Time Frame	Jobs Created	District Role
1. Build county land use planning capacity.	<ul style="list-style-type: none"> - District III - County officials and planning commissions 	<ul style="list-style-type: none"> - More objective decision-making processes - Better local zoning enforcement - More efficient infrastructure utilization 	<ul style="list-style-type: none"> - Projects initiated - Training opportunities - Meetings attended 	County Budgets	2019-2024	n/a	Catalyst
2. Enhance facility siting information	<ul style="list-style-type: none"> - District III - SD Dept. of Ag. - County officials 	<ul style="list-style-type: none"> - Fewer land use conflicts - Better utilization of infrastructure capacities 	<ul style="list-style-type: none"> - Added tax base - Facilities constructed - Lawsuits initiated (expect fewer) 	County Budgets State of South Dakota	2019-2024	n/a	Participant
3. Expand infrastructure systems	<ul style="list-style-type: none"> - Rural water systems - Local governments - State agencies 	<ul style="list-style-type: none"> - Better road and bridge conditions - More water system capabilities 	<ul style="list-style-type: none"> - Improvement projects completed - Capacities expanded 	State and Federal Programs	2019-2024	Construction employment	Supporter
4. Encourage value added processing	<ul style="list-style-type: none"> - Business interests - State agencies - Areawide Business Council 	<ul style="list-style-type: none"> - Development of large and small scale projects 	<ul style="list-style-type: none"> - Investment committed - Jobs created 	Private Capital Revolving Loan Fund State Programs	2019-2024	50 per year	Participant
5. Monitor agricultural impacts	<ul style="list-style-type: none"> - District III - SD Dept. of Ag. 	<ul style="list-style-type: none"> - Raise awareness of the impacts and economic cycles 	<ul style="list-style-type: none"> - Information product distributions - Meeting presentations 	n/a	2019-2024	n/a	Communicator

CEDS Goal 2: Capitalize on the Missouri River.

Objective or Task to be Implemented	Lead Entity(ies)	Expected Results	Performance Measures and Evaluation Indicators	Funding Sources	Time Frame	Jobs Created	District Role
1. Help efforts to preserve river quality	<ul style="list-style-type: none"> - Missouri Sedimentation Action Coalition - U.S. Army Corps of Engineers 	<ul style="list-style-type: none"> - Federal support for sedimentation controls 	Federal project investment	Congress	2019-2024	n/a	Supporter
2. Promote the visitor industry	<ul style="list-style-type: none"> - Regional Tourism Associations 	<ul style="list-style-type: none"> - Development of visitor facilities and attractions 	Visitor and spending numbers	State and Federal programs Local contributions	2019-2024	Project Dependent	Supporter
3. Expand the use of the river for domestic use	<ul style="list-style-type: none"> - Rural Water Systems - Municipal Systems 	<ul style="list-style-type: none"> - Expanded drinking water capacity 	Projects constructed Funding obtained	State and Federal programs	2019-2024	Construction Only	Supporter

CEDS Goal 3: Strengthen core infrastructure capacities.

Objective or Task to be Implemented	Lead Entity(ies)	Expected Results	Performance Measures and Evaluation Indicators	Funding Sources	Time Frame	Jobs Created	District Role
1. Prepare applicable applications	<ul style="list-style-type: none"> - Sponsoring Entities - Funding Programs 	<ul style="list-style-type: none"> - Capital for infrastructure projects 	<ul style="list-style-type: none"> Funds leveraged Service expansions Populations served 	State and Federal agencies	2019-2024	Construction	Supporter
2. Build and/or upgrade road and bridge systems	<ul style="list-style-type: none"> - Sponsoring entities - Funding programs 	<ul style="list-style-type: none"> - Capital for roads and bridges - Local investment plans 	<ul style="list-style-type: none"> Projects funded Service expansions 	State and Federal agencies	2019-2024	Primarily Construction	Supporter
3. Aid in expanding energy alternatives	<ul style="list-style-type: none"> - Utility capacities - Local governments - Funding agencies 	<ul style="list-style-type: none"> - Alternative energy projects - Expansion of natural gas networks 	<ul style="list-style-type: none"> Areas served Projects built Businesses assisted 	State and Federal agencies	2019-2024	Primarily Construction	Supporter
4. Promote telecommunications opportunities	<ul style="list-style-type: none"> - Service providers - Local governments 	<ul style="list-style-type: none"> - Better broadband and cell phone service 	<ul style="list-style-type: none"> Service upgrades Areas served 	Private companies Federal agencies	2019-2024	Primarily construction	Communicator
5. Improve local capital improvement planning processes	<ul style="list-style-type: none"> - Local governments - District III 	<ul style="list-style-type: none"> - Better financial management 	<ul style="list-style-type: none"> Local funds committed Outside money leveraged Services improved 	Local governments State and Federal programs	2019-2024	n/a	Facilitator
6. Enhance project recordkeeping and administration	<ul style="list-style-type: none"> - Project sponsors - Program managers - District III 	<ul style="list-style-type: none"> - Improved administrative processes - Fewer project management issues 	<ul style="list-style-type: none"> Compliance monitoring findings Project completion timetables 	Local governments	2019-2024	n/a	Supporter
7. Help counties with bridge improvement plans	<ul style="list-style-type: none"> - County highway departments - District III 	<ul style="list-style-type: none"> - Short and long term plans for bridge improvements - County eligibility for financial assistance 	<ul style="list-style-type: none"> Plans prepared Project assistance obtained 	SD DOT	2019-2024	Construction	Supporter
CEDS Goal 4: Adjust to the 21st Century Workforce							
Objective or Task to be Implemented	Lead Entity(ies)	Expected Results	Performance Measures and Evaluation Indicators	Funding Sources	Time Frame	Jobs Created	District Role
1. Assist technical institutes with program enhancement	<ul style="list-style-type: none"> - Technical schools 	<ul style="list-style-type: none"> - Additional programs 	<ul style="list-style-type: none"> Students trained Programs offered 	State and Federal programs	2019-2024	Based upon student employment	Supporter
2. Help workforce coordinators	<ul style="list-style-type: none"> - Area development corporations 	<ul style="list-style-type: none"> - Additional training and promotional resources 	<ul style="list-style-type: none"> Programs offered Participants assisted 	State and Federal programs	2019-2024	Based upon participant success	Facilitator Supporter
3. Prepare members for workforce needs	<ul style="list-style-type: none"> - Local governments - Development corporations 	<ul style="list-style-type: none"> - Enhance housing and workforce amenities - Identify critical recruitment and retention issues 	<ul style="list-style-type: none"> Facilities improved Projects completed Employees hired/retained 	State and Federal programs	2019-2024	Private employment	Facilitator Supporter

4. Encourage entrepreneurial initiatives	<ul style="list-style-type: none"> – Small Business Development Center – Development Corporations 	<ul style="list-style-type: none"> – Creation of quality businesses and employment opportunities 	Businesses assisted Jobs created or saved	State and Federal programs	2019-2024	Private employment	Participant Supporter
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CEDS Goal 5: Enhance the Quality of Life

Objective or Task to be Implemented	Lead Entity(ies)	Expected Results	Performance Measures and Evaluation Indicators	Funding Sources	Time Frame	Jobs Created	District Role
1. Expand housing opportunities	<ul style="list-style-type: none"> – SD Housing Development Authority – Local Development groups 	<ul style="list-style-type: none"> – Greater range of housing options – More orderly housing development 	Units constructed Persons impacted	State and Federal programs	2019-2024	During construction	Facilitator Communicator Supporter
2. Enhance recreation projects	<ul style="list-style-type: none"> – SD Department of Game, Fish & Parks – Local governments 	<ul style="list-style-type: none"> – Development of quality facilities and spaces 	Investments made Projects completed	SD GFP Local governments	2019-2024	During construction	Supporter
3. Help providers maintain access to healthcare	<ul style="list-style-type: none"> – Providers – Area Health Education Center 	<ul style="list-style-type: none"> – Improvements in healthcare services – Increases in healthcare employment 	Workforce numbers Service projects implemented	Providers State and Federal programs	2019-2024	Private employment	Facilitator Supporter
4. Promote community facility development	<ul style="list-style-type: none"> – Local governments – State and Federal programs 	<ul style="list-style-type: none"> – Facility construction – Community cohesion 	Investments made People impacted	State and Federal programs	2019-2024	Primarily construction	Communicator Supporter
5. Build community relationships	<ul style="list-style-type: none"> – Local governments – Development organizations 	<ul style="list-style-type: none"> – Economies of scale – Shared programs and services 	Initiatives developed Cooperative relationships established	Local entities State and Federal programs	2019-2024	n/a	Catalyst Facilitator

CEDS Goal 6: Link education and training approaches to rural development outcomes

Objective or Task to be Implemented	Lead Entity(ies)	Expected Results	Performance Measures and Evaluation Indicators	Funding Sources	Time Frame	Jobs Created	District Role
1. Assist communities with succession issues	<ul style="list-style-type: none"> – Development corporations – Small Business Development Center 	<ul style="list-style-type: none"> – Continuation of essential businesses and services – Increased awareness of succession issues 	Businesses assisted	n/a	2019-2024	Positions created or saved	Communicator Facilitator
2. Help education institutions with regional development initiatives	<ul style="list-style-type: none"> – Public schools 	<ul style="list-style-type: none"> – Raise awareness of development activities and career opportunities 	Assistance provided Student participation	n/a	2019-2024	n/a	Communicator Facilitator
3. Support the use of internships and other student based job experience programs	<ul style="list-style-type: none"> – Education community & employers 	<ul style="list-style-type: none"> – Retention of entry level workers in the region – Enhanced workforce capabilities 	Program participation Business participation	State and Federal programs Employers	2019-2024	Positions filled	Communicator Facilitator

CEDS Goal 7: Increase communication and coordination opportunities

Objective or Task to be Implemented	Lead Entity(ies)	Expected Results	Performance Measures and Evaluation Indicators	Funding Sources	Time Frame	Jobs Created	District Role
1. Enhance relationships with development groups	- District III	- More effective and efficient services	Relationships established Projects developed	State agencies	2019-2024	n/a	Catalyst Facilitator
2. Engage local interests more on planning processes	- District III - Local governments	- Better communication and less confusion concerning development resources	Processes utilized Entities engaged	n/a	2019-2024	n/a	Catalyst Facilitator
3. Encourage regular participation in development activities by all interest groups	- District III - Development entities	- More public participations and awareness	Entities participating	n/a	2019-2024	n/a	Communicator

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Section IV

Evaluation Framework

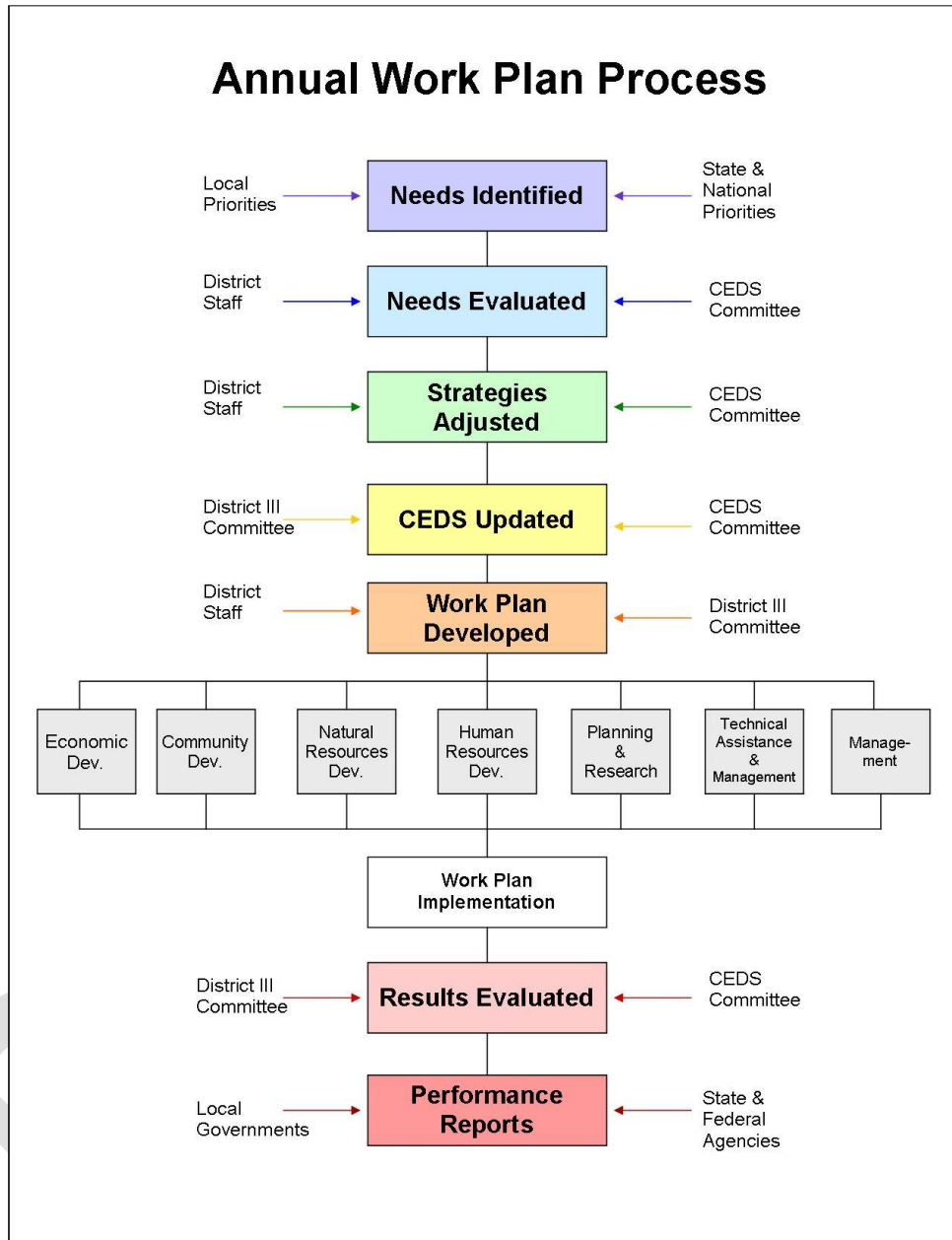
Audience and Factors

The CEDS will be evaluated with four primary stakeholders in mind.

1. Governing Committee – The evaluation should **explain** how the organization has met its leadership’s expectations and operational standards.
2. Membership – The evaluation should **validate** the benefits of belonging to the association, along with **justifying** the investment of taxpayer dollars.
3. Development Partners – The evaluation should **document** the value in working with or through the District on projects and programs.
4. General Public – The evaluation should **educate** individuals and communities at large on the merits of a regional economic development approach and the potential impacts of cooperative action.

The process of evaluating the CEDS begins with the District’s annual work plan (Figure 21).

Figure 21



This approach has been followed for over three decades. The District utilizes the Work Plan for making annual assignment adjustments and addressing new challenges and opportunities. Procedural continuity enables the District to track changes over time, along with minimizing administrative overhead. In other words, “If it ain’t broke, don’t fix it.”

The District recognizes the need for quantifying outcomes, based upon accepted sources and methods. The following table is an idealized representation of how performance data will be compiled. The actual documentation will be more challenging in two ways. First, results may involve units of time beyond one or even five years. The District will make every effort to use standard sources, but changes may not be evident in the timeframes used by state or national processes (examples: census – every 10 years and

agricultural census – every five years). Second, outcome expectations will be focused on the type of impact, rather than projected numbers. It is unrealistic and disingenuous to place job or investment estimates in a five-year planning process document. Too many things will change before the outcomes are finally known.

CEDS documentation will be developed from whatever sources and whatever means make sense at the time. The best sources will be recognized studies or periodic government reports. There may be situations where anecdotal or personal observations are utilized. Statistics alone will not cover the scope of the CEDS and its impacts within the region.

Performance Measures

The performance measure expectations are outlined in the following table. The primary benchmarks or baselines will be the existing situation on local or regional levels. The nature of the benchmarks will vary from a point in time statistical data, to a subjective assessment or perception. Measures and examples are ways to gage change. Again, they may be numerical comparisons or subjective opinions. District III staff will have the primary responsibility for compiling performance data. Outside entities will be involved if they offer meaningful information. Annual updates may not be possible in all measurement areas.

PERFORMANCE MEASURES

CEDS Goal 1: Grow the Agricultural Economy			
Benchmarks/Baselines	Measures/Examples	Information Compilation Responsibility	Outcomes Expected
Current training opportunities being offered	Planning commissioners trained County zoning offices supported Projects supported	District III Staff	Fewer controversial permit hearings Additional value added projects
Current status of local land use information	GIS based property data sets Public access to information Facilities constructed	District III Staff	Additional job creation and private sector investment
Current status of infrastructure systems	Public investment in projects Service upgrades or expansions	District III Staff	Enhanced utility services and development capacity
Current number of value added processing facilities	Investment committed Jobs created	District III Staff	Expansion of processing within the region New markets for ag products
Periodic bulletins and the agricultural census	Value of products Farm related statistics	Department of Agriculture District III Staff	Trends and other data on the agricultural economy Additional public awareness
CEDS Goal 2: Capitalize on the Missouri River			
Benchmarks/Baselines	Measures/Examples	Information Compilation Responsibility	Outcomes Expected
Current federal river management practices	Sedimentation project investments Federal initiatives	Missouri Sedimentation Action Coalition District III Staff	Commitments to stop and/or reverse sediment damages
Current visitor spending and programs	Regional visitation spending statistics State and Federal investments	Regional tourism associations SD Department of Tourism District III Staff	Growth in visitor spending and increased public investment in tourism facilities
Current domestic river water consumption and user numbers	Project construction costs Persons benefiting	Rural water systems District III Staff	Increased domestic water system capacities
CEDS Goal 3: Strengthen core infrastructure capacities			
Benchmarks/Baselines	Measures/Examples	Information Compilation Responsibility	Outcomes Expected

Current number of applications prepared, and funding approved	Projects assisted Funds approved Communities impacted	Funding agencies District III Staff	Enhanced public infrastructure capacities and capabilities
Current number of deficient roads and bridges	Projects funded Situations improved	Local highway departments District III Staff	Improvement in road systems
Current number of alternative energy projects in operation	Company investment Units constructed	Utility companies SD Public Utilities Commission District III Staff	Expansion of alternative energy projects
Current level of cell service and broadband availability	Project investment Service enhancements Communities served	Telecommunication service providers SD Public Utilities Commission	Enhanced service and development capacities
Current number of local governments practicing capital improvements planning	Entities involved Budget savings	Local governments District III Staff	Better financial management practices
Current project administration practices	Changes made Monitor findings	District III Staff	Improved project finance management processes
Current bridge improvement plan participation	County participation Funded bridge projects	County Highway Departments District III Staff	Increased financial assistance for bridge projects
CEDS Goal 4: Adjust to the 21st Century workforce			
Benchmarks/Baselines	Measures/Examples	Information Compilation Responsibility	Outcomes Expected
Current workforce initiatives and programs	Additional programs or services developed Students or employees impacted	Area workforce coordinators Training institutions District III Staff	Company expansions or retentions Area workforce improvements
Services offered by local or areawide programs	Persons impacted Programs offered	Local workforce coordinators District III Staff	Business and population growth
Range of activities being directed at workforce needs	Focused housing initiatives Recruitment efforts or incentives Internships and apprenticeship programs	District III Staff State agencies	Better employee recruitment and retention results
Current range of entrepreneurial related programs and services	Business startups Business succession initiatives	Small Business Development Center District III Staff	Wide range of business growth, along with better succession success

CEDS Goal 5: Enhance the Quality of Life			
Benchmarks/Baselines	Measures/Examples	Information Compilation Responsibility	Outcomes Expected
Current community housing needs	Range of housing available Units constructed Persons benefiting	District III Staff SD Housing Development Authority	Better housing alternatives Population growth Business recruitment
Current community recreation facilities	Improvements constructed Funding assistance obtained	District III Staff	Additional recreation amenities and event capacity
Health workforce statistics and area facility characteristics	Providers engaged in innovative workforce activities Health service access data	State and Federal health programs Area Health Education Center	Improvements in healthcare access and quality
Identified community facility needs	Facilities improved or constructed Persons benefiting Funding assistance obtained	District III Staff	Enhanced community safety and social interaction opportunities
Range of community based planning and networking activities	Entities participating Issues addressed	District III Staff	Enhanced regional cooperation and cost savings
CEDS Goal 6: Link Education and Training Programs to Rural Development Outcomes			
Benchmarks/Baselines	Measures/Examples	Information Compilation Responsibility	Outcomes Expected
Current community business succession situation	Businesses assisted Businesses retained	Small Business Development Center	Additional businesses retention
Current engagement of education institutions with development issues	Institutions participating Student involvement Business involvement	Local Development Corporations District III Staff	More opportunities for local student/business experiences
Current level of internship activity	Businesses participating Student impacts	South Dakota Department of Labor Local Development Corporations	Additional success in attracting qualified workers to rural areas
CEDS Goal 7: Increase Communication and Coordination Opportunities			
Benchmarks/Baselines	Measures/Examples	Information Compilation Responsibility	Outcomes Expected

Current level of engagement with local development entities	Relationships established Projects developed	District III Staff	Additional economic development activity
Current level of awareness, concerning planning processes	Entities participating Persons Impacted	District III Staff	Increased public awareness, concerning development activities
Current level of development activity participation	Entities engaged Projects developed	Local Development Entities District III Staff	Broader organizational and public participation in development efforts.

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Section V

Economic Resilience

Parameters

A theme throughout this document has been the need for economic diversification. The region's economic foundation is agriculture, with its cyclic characteristics. The District's role in supporting resiliency is the same as its function in promoting economic diversity and capacity building, namely:

- ★ Inform;
- ★ Advise; and/or
- ★ Support.

District III is not in a position to direct, manage or control the actions of its membership. Thus, there are limits on its influence and ability to apply concepts or planning processes throughout the 16 county region.

On the other hand, District III has developed excellent relationships with a variety of entities that are part of the resiliency "picture". These relationships will be part of the initiatives presented under the EDA's recommended headings of "steady state" and "responsive".

Steady State Initiatives

The following initiatives are longer term, capacity building and preemptive in nature. The activities are numbered for ease of discussion. No order or level of importance is implied.

1. Comprehensive Planning
Counties and communities will be encouraged to initiate or update their land use plans and associated ordinances. The benefits include an assessment of all factors that influence development. Minimizing land use conflicts and anticipating infrastructure challenges will be part of the process.
2. Capital Improvements Planning
Local governments will be offered assistance in establishing procedures for orderly infrastructure and facility planning. This budgeting process will help leaders maximize their spending impacts, while saving critical resources for potential crisis situations. The benefits will include fewer financial "surprises" when significant needs arise.
3. Geographic Information System (GIS) Based Site Selection Support
The District has site selection data on hundreds of property parcels throughout the region. This information includes physical features, utility capacities and road access. The data applies to

rural locations and property along railroad corridors. Municipal parcel analysis is also possible, using GIS layers. The benefits include avoiding the construction of facilities in sensitive or potentially challenging areas, along with managing conflicts with other land uses.

4. Targeting Revolving Loan Fund (RLF) to Opportunity Zone Tracts

The District's RLF has received EDA support to target federally designated "Opportunity Zone" census tracts for business assistance. These areas have either a special set of circumstances that may trigger economic activity or they have lower incomes and associated development challenges. Either way, the District is seeking to take advantage of opportunities for economic diversification.

5. Value Added Agriculture Relationships

The District anticipates opportunities to support value added processing plants and other commodity based projects, especially in areas having access to short line railroads. The District assists one regional rail authority with financial management and it has positive relationships with other agricultural interests. The benefits will include more markets for agricultural procedures and better chances for regional diversification.

6. 4x4 Planning Process

The District has developed an abbreviated planning process that provides structure to community conversations, concerning development issues. The process has worked particularly well in situations involving housing. The benefits include focusing local resources on specific objectives, rather than wasting time and energy on nebulous goals that never lead to measurable outcomes. Another benefit is the building of local coalitions that are able to work together with minimal administrative effort.

7. Utilize Hazard Mitigation Grant Program (HMGP) Opportunities

The District will continue to take advantage of "windows" of eligibility to help local sponsors with HMGP proposals. Examples include road and bridge upgrades, storm shelters and prepositioned equipment, such as emergency generators. The benefits include preventing loss of life and property damages during storm events, plus improving coordination and communication among emergency responders.

Partners in addressing steady-state initiatives include:

- ★ Local Emergency Managers
- ★ Development Corporations
- ★ State Development Programs
- ★ Federal Emergency Management Agency Programs
- ★ South Dakota Office of Emergency Management
- ★ Private Businesses
- ★ Agricultural Interest Groups

The exact role of the partners will depend upon the situation, but every initiative will involve one or more partnering entities.

Responsive Initiatives

The following initiatives are associated with improving regional communication and coordination among a wide variety of development stakeholders. The activities are numbered for ease of discussion. No order or level of importance is implied.

1. Update County Pre-Disaster Mitigation Plans (PDMs)

The District anticipates updating as many as 15 PDMs over the five year CEDS planning period. A typical PDM document includes:

- ✓ Descriptive Background Information
- ✓ Planning Methodologies
- ✓ Risk Assessment Processes
- ✓ Risk Mitigation Strategies
- ✓ Plan Monitoring and Evaluation Steps
- ✓ Reference Materials

FEMA requires that PDMs meet specific standards to be accepted. The benefits include disaster related coordination and eligibility for federal assistance should a disaster occur.

2. GIS Data Hosting and Sharing Mechanisms

The District will expand its technical capabilities to better host and share GIS data. The information is used by county officials, business interests and the general public. GIS is becoming a “must have” technology for communicating planning concepts and illustrating any activity or event with a geographic component.

3. Regular Attendance at Regional Meetings

The District will improve communication with county, municipal and development corporation officials by participating in as many regional events as possible. These meetings are good opportunities to build professional credibility and trust. The benefits will include enhanced communication and opportunities for joint projects.

4. State Agency Outreach

The District will individually and collectively approach state officials to educate them on regional issues and partnership opportunities. A new state administration begins in January 2019, so this activity will be a high priority early in the CEDS period. The benefits include more efficient program delivery and strong communication channels.

5. Integrate Planning Processes

The District will seek to integrate the CEDS process with other regional and local planning efforts. Examples include governmental strategic plans and development corporation issue

priorities. The benefits include the avoidance of duplication and the strengthening of efforts in areas of mutual interest.

As is the situation with steady-state initiatives, responsive activities will be addressed with partnerships. Similar entities will be involved. Regular communication will ensure that the CEDS remains representative of the 16-county region, throughout the five-year planning period. Periodic updates will guarantee that the process is inclusive and relevant.

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